

THE NATION'S BUSINESS

July



1924

Can Business Be Trusted to Govern Itself

By Chester M. Wright, of the American Federation of Labor

What Congress Did *for* and *to* Business

By Willard M. Kiplinger

Don't Blame Congress, Blame Yourself

By Gen. Guy E. Tripp, Chairman, Westinghouse E. & M. Co.

Oregon's Remedy for Farm Ills

By Frederick Simpich

Brains + Money = Lower Freights

By Robert S. Henry, of the N., C. & St. L. Ry.

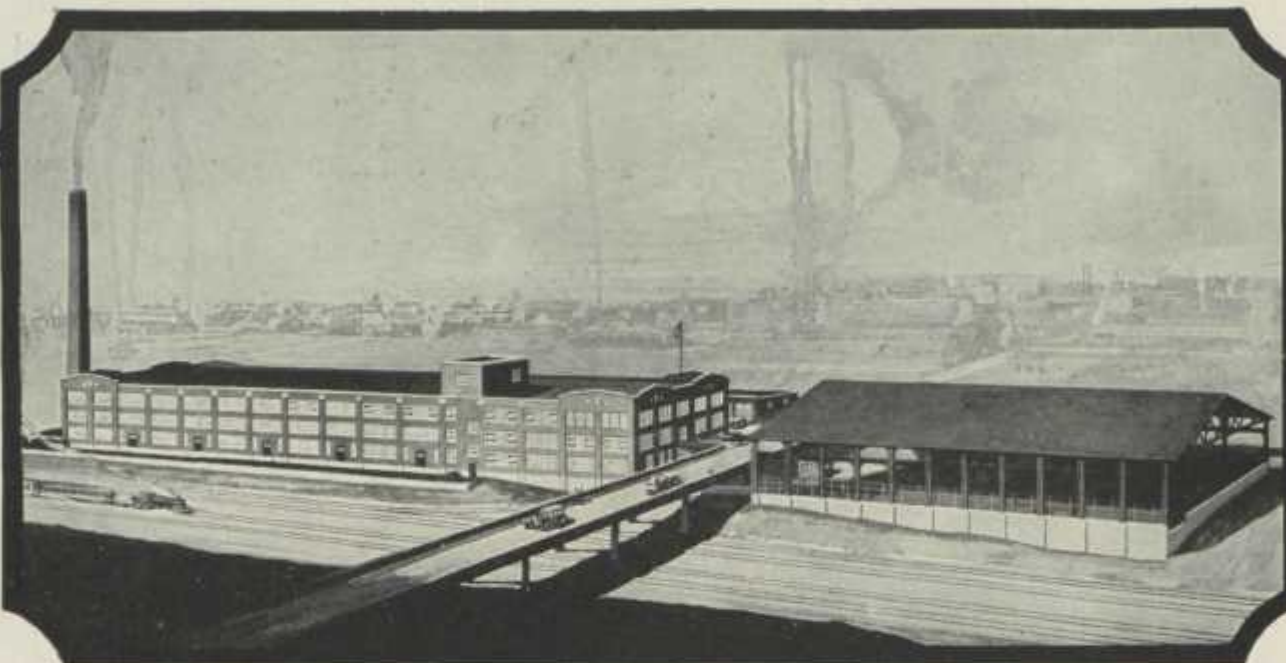
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Published by the Chamber of Commerce of the United States

AUSTIN



A typical Austin Unit Responsibility operation—A complete plant for The Merkel Brothers Company, manufacturers and wholesale distributors of plumbing, steam and gas supplies, Cincinnati. Design, construction and equipment by Austin.

What You Gain by Building Main Plants or Branches the New Way

THE Austin Method of Unit Responsibility is the New Way—the right way—to build Industrial Plants. It covers and includes:

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Layout. Trained Austin Engineers will go over your plans, study your production, and co-operate with you in laying out a plant of the right type and size.

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Learn how Austin Unit Responsibility can serve on your new building project. Wire, phone, or use the coupon; or get in touch with the nearest Austin Branch, for an appointment with Austin Engineers.

The "A No. 1 Plan", just off the press, tells the big story of Austin Unit Responsibility in an interesting way. Write for your copy.

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New York Cleveland Pittsburgh St. Louis
The Austin Company of Texas: Dallas

Engineers and Builders

Birmingham Chicago Philadelphia Seattle Portland Detroit
The Austin Company of California: Los Angeles San Francisco

Cleveland

Engineering Building Equipment

TRUSCON

STANDARD BUILDINGS



Series "A"

Truscon Copper Steel roof or "Steeldeck" roof, asbestos covered



TYPE 1-5

Widths—12-48-56-60-66

Lengths—Multiples of 2'-0"

TYPE-1 Widths—5-12-16-20-24-28



TYPE 2

Widths—48-56-60-66-72

Lengths—Multiples of 2'-0"



TYPE 3

Widths—56-60-66-72-76-80-84-88-92

Lengths—Multiples of 2'-0"



TYPE 3M

Widths—60-66-72-76-80-84-88-92-96-100-106-110

Lengths—Multiples of 2'-0"



SAWTOOTH

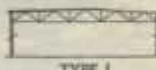
Widths—Any Multiple of 2'-0"

Lengths—Multiples of 2'-0"

Lanterns, if desired on Types 1-5, 2 and 3

Series "B"

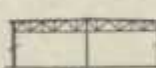
Truscon "Steeldeck" roof, asbestos covered on all series "B" buildings



TYPE 1

Widths—24-36-48-60-72-84-96-108-120

Lengths—Multiples of 2'-0"



TYPE 2

Widths—60-66-72-76-80-84-88-92-96-100-106-110

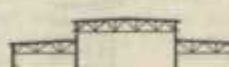
Lengths—Multiples of 2'-0"



TYPE 3

Widths—60-66-72-76-80-84-88-92-96-100-106-110

Lengths—Multiples of 2'-0"



TYPE 3M

Widths—60-66-72-76-80-84-88-92-96-100-106-110

Lengths—Multiples of 2'-0"



TYPE 3 (WITH LANTERNS)

Widths—60-66-72-76-80-84-88-92-96-100-106-110

Lengths—Multiples of 2'-0"

Lanterns, if desired on Types 1-5, 2 and 3

Truscon Standard Buildings Now Meet Every Need

Always in the lead, Truscon Standard Buildings now offer new developments tested by years of use. You obtain flat or pitched roof types or combinations, individually designed to meet your exact requirements. You have unlimited choice of sizes, layouts and arrangements of doors and windows. The ideal fireproof building for all one-story and many two-story uses.

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A fireproof roof which is light in weight, weathertight, durable and economical. Made of copper steel for permanence. Covered with asbestos roofing, cemented with asphalt. Extremely rigid. Used on either flat or pitched roofs.

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Truscon Engineers will show you how you can obtain the building that will meet every requirement. You get an exact cost bid—one contract—no extras. Return the coupon today or write us.

TRUSCON STEEL COMPANY YOUNGSTOWN, OHIO

Warehouses and Offices from Pacific to Atlantic.
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Canada: Walkerville, Ont. Export Div.: New York

Send useful building book and suggestions on building to be used for

Type.....Series.....Length.....Width.....Height.....

Name.....

Address.....

(N. B. 7-24)



Power To Pull Out— Speed on the Road!

Watch for the GMC trucks on the next excavating job!

Notice how easily they haul their full load of earth up the steep incline to the street—unaided by cable or team.

Then check up with the drivers on the number of loads they haul each day. You will find these trucks as speedy as they are powerful.

For, equipped with the famous GMC Two Range Transmission, GMC Trucks multiply the power of an engine, of economical size, into pull at the wheels that will take them up any grade or out of any mud where wheels can get traction. And, by a shift of a lever, also provide as fast a road speed as safety permits.

This combination of speed and pulling power—built into GMC Trucks—their rugged dependability and their operating economy, all make them money-makers for haulers everywhere.

Distribution Centers at

Akron	*Denver	*Minneapolis	Rochester
*Atlanta	Detroit	*Milwaukee	*St. Louis
Baltimore	Dayton	Montreal, Quebec	*San Francisco
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*Brooklyn	Erie	*New York	*Spokane
Boston	Houston	Oshawa, Ont.	Salt Lake City
Buffalo	*Indianapolis	Oakland	Saginaw
Beaumont	Kansas City	Omaha	San Antonio
*Chicago	*Los Angeles	*Philadelphia	Shreveport
*Charlotte	*Louisville	Pittsburgh	Toronto, Ont.
Cleveland	Lincoln	Portland	Vancouver, B. C.
Cincinnati	London, Eng.	Parkersburg	Washington
Clarksburg	*Memphis	*Pontiac	Winnipeg, Man.
*Dallas			

*Direct Factory Branches

Dealers in Practically All Communities

GENERAL MOTORS TRUCK COMPANY

Division of General Motors Corporation

PONTIAC, MICHIGAN

In the Dominion of Canada

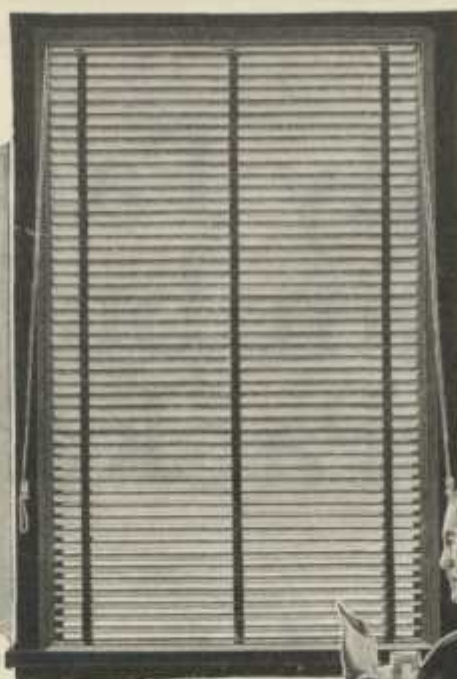
General Motors Truck Company of Canada, Limited
Oshawa, Ontario

General Motors Trucks





Offices of the National City Company, Pacific Mutual Bldg., Los Angeles, Calif.



Daylight Without Glare Through This Modern Blind

THERE has long been a need for window equipment that would perform a real service in regulation of light and ventilation. Window shades and awnings have merely served to shut out the sunlight. They have not rendered a lighting service, nor have they been an aid in ventilation.

How often have you realized this—when blinding glare from the sun has flashed across your desk—when a refreshing breeze has been shut out because the draft disordered the work on your desk.

Control Daylight—Ventilation

Now, you can control daylight and ventilation. Western Venetian Blinds easily and quickly regulate the intensity of sunlight and provide for proper ventilation.

This modern window equipment utilizes all window area for lighting purposes. Each blind is constructed of thin slats of Port Orford white cedar, ingeniously arranged so that they can be instantly adjusted to control admission of daylight. All direct glare is eliminated; the intensity of sunlight is softened; and an adequate quantity of subdued, restful daylight is evenly distributed throughout the entire office.

Ventilation is likewise controlled. The blinds can be lowered while the windows remain open, thus shutting out all glare and yet permitting a free circulation of fresh air. Draft is avoided because air currents are diverted upward by the adjustable slats.

Replace Awnings and Shades

Western Venetian Blinds are guaranteed to give perfect service for ten years. They replace both awnings and shades, and perform a better service at a lesser cost. They are easy to install, simple to operate, and require no replacement or repair.

As thousands of executives associated with America's leading business institutions have found, you too, will find Western Venetian Blinds superior to every other type of window equipment.

Mail the coupon now for our 50-page illustrated catalog.

Western Blind & Screen Company
General Offices, Los Angeles; Factories, Los Angeles and Kansas City

NEW YORK, N. Y., 25 W. 43rd St.	CHICAGO, ILL., 326 W. Madison St.
ATLANTA, GA., 309 Flatiron Bldg.	PORTLAND, ORE., 213 Fitzpatrick Bldg.
KANSAS CITY, MO., 14th & Montgall	SAN FRANCISCO, CAL., 921 Hearst Bldg.
TEXAS AGENTS: TWO REPUBLICS SALES SERVICE	
523 Hicks Bldg., San Antonio	Kirby Bldg., Dallas
SEATTLE, WASH., 1425 Fifth Avenue	



How a Ray of Light Travels Via Western Venetian Blinds

Each ray of bright sunlight is reflected and diffused into soft, restful daylight, thus eliminating blinding glare.



Western Blind & Screen Co.
Dept. N, 2700 Long Beach, Ave.
Los Angeles, Calif.

Gentlemen:
Without obligation on my part, please send me your free illustrated 50-page catalogue showing installations of Western Venetian Blinds.

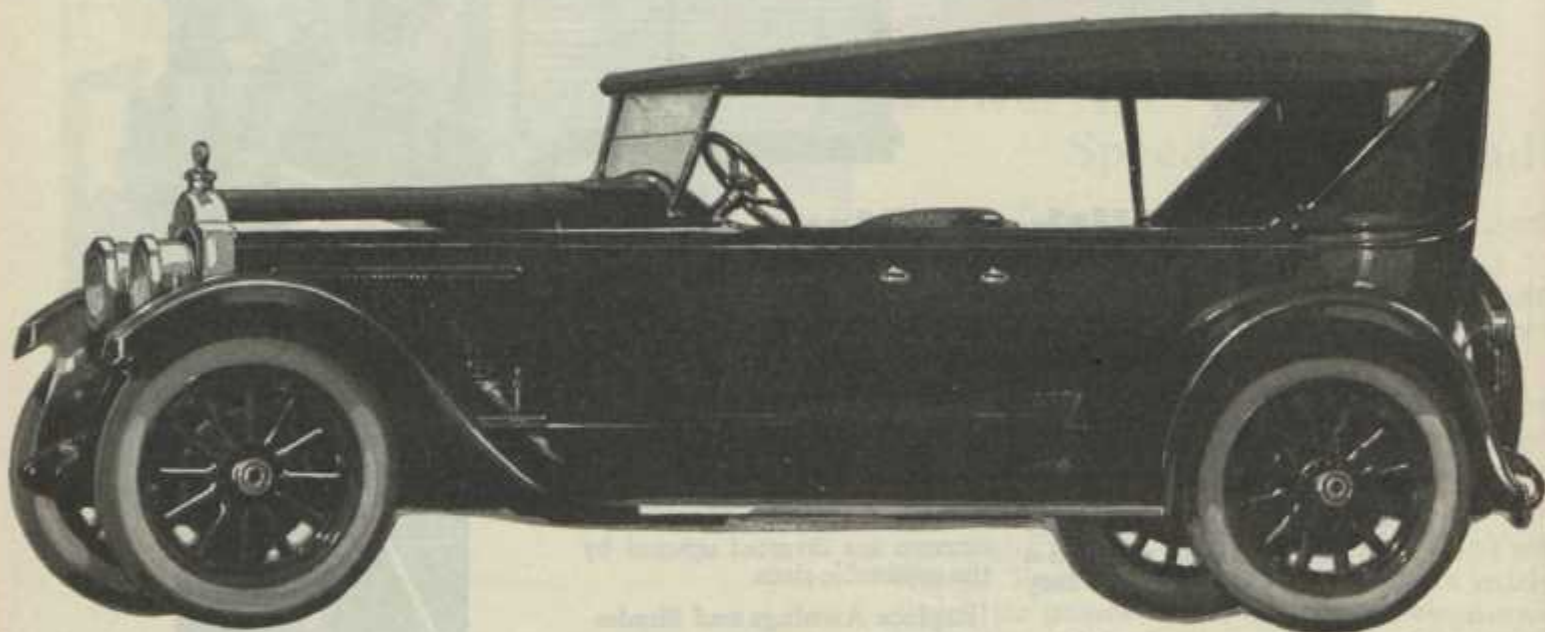
Name _____
Business Firm _____
Address _____
City _____
State _____

Western Venetian Blinds

MORE LIGHT~MORE AIR~LESS GLARE

1899 - 1924

Only Packard can build a Packard



Brilliant Beauty
Distinctive Smartness
Extraordinary Performance
Economy of Operation
Luxurious Comfort
Low Upkeep Cost
Years and Years of Service
Pride of Ownership
Sound Investment
Standardized Nation-Wide
Service
High Resale Value

*Shown above is the Packard Six Five-Passenger Touring Car.
Packard Six furnished in eleven body types, open and enclosed.
Packard Eight furnished in ten body types, open and enclosed.*

*Balloon Tires optional equipment
on all models at reasonable extra cost*

ASK THE MAN WHO OWNS ONE

When writing to PACKARD MOTOR CAR COMPANY please mention the Nation's Business

Through the Editor's Spectacles

NOTHING we have printed for some time has caused the comment that Secretary Hoover's "If Business Doesn't, Government Will" has brought us. A simple plan it is. Somebody must see that there are rules of play and that the rules are observed. If business doesn't do this for itself, then the people will demand that government do it.

Thirty years ago a student at a western university made a similar suggestion. The students were irked by faculty discipline. "Well," said this student, "there is only one other way. If we students will govern ourselves, handle our own breaches of conduct, the faculty will be mighty glad to let us do it. 'If students don't, faculty will.'"

This student's counsel prevailed, and he was the guiding influence if, indeed, not the actual author of a student self-governing plan, which was highly successful in operation. So successful in fact that twenty-odd other universities, to my knowledge, had adopted the plan within ten years, and the writer, who had the honor of serving as a member of the student council, can testify to its efficacy.

The student who did this was Herbert Hoover. It is of passing interest to contemplate that the thing he advocates today for American business is based on the same principle as the plan he worked out for his fellow students thirty years ago.

IN THIS number an official of Organized Labor discusses the Hoover idea, and unless we are mistaken our readers will hear during the next twelve months a great deal of the new bill of rights for American industry.

IN OUR complex modern society no one business stands by itself; no man is self-supporting. Much time has been spent in denouncing the New York Stock Exchange; yet Seymour Cromwell, its ex-president, calls it "the people's market" and makes a good case for the title. He said the other day:

I took the list of stocks listed on the Exchange and out of curiosity began to figure how many kinds of goods—if I may use the expression—there were on our shelves. In a short time I had figured up one hundred and fourteen, ranging from aeroplanes, air-brakes, asphalt, automobiles, bread and cake, cement, cereals, collars, shirts, leather, sugar, silks, salt, ribbons, tin-foil, typewriters, varnish, underwear, down to cardboard, patterns, yeast, writing paper and fire engines.

Just imagine a great department store with one hundred and fourteen separate shops and the goods represented in those shops available on short notice to any person situated in any part of the world.

It is the listing of the stocks of the companies owning these goods, on the New York Stock Exchange, which permits the development of industry and the distribution of the goods themselves.

IF LETTERS that come to this office are an indication, the northwest farmer is spending a good part of his winter thinking and putting his thoughts on paper. Sometimes he writes to belabor us as being enemies of the farmer because we do not join in the clamor for government aid; sometimes he puts down his own views of what should be done.

H. T. Metcalf, of Clark, South Dakota, thinks that no plan yet offered for the farmer

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.

Look! At The Range in Your Kitchen.

Quite a bit of cast metal in its make-up no doubt. And yet many range manufacturers have recently come to realize the advantages of pressed steel for the tops, frames, fronts, doors, legs and many other parts of their product. Perhaps your range was made by one of these manufacturers. For instance, our engineers showed one of the largest range manufacturers in the country the possibilities of pressed steel, and designed the stove leg illustrated here.

Here's the Net Result:

1. A weight reduction of 30%.
2. A cost saving of 20%.
3. A better enameling surface.
4. Expensive machining eliminated.
5. Risk of breakage in shipment eliminated.



"Press it from steel instead"

Cast iron stove leg, weight 4 pounds.



Ranges may not be in your line. And yet if you are using cast parts anywhere in your product the chances are pressed steel replacement will give advantages in your manufacturing and selling just as great—or even greater.

How We Help You Find Out

Simply write us that you are interested. If you can do so, send blue prints or sample parts.

At your convenience, one of our consulting engineers visits you to study the situation right on the ground. This man is a member of our staff of highly-trained redevelopment pioneers, and he knows all the ins and outs of pressed steel replacement from actual experience on scores of successful redevelopment jobs at our plant. This plant, located in the heart of the steel district, is backing him up with complete facilities for producing the most intricate pressed steel parts, large or small.

Here's How He Analyzes Your Problem

1. Can the cast parts used in your product be pressed from steel instead?
2. If not, can they be redesigned to permit pressing from steel instead?
3. Would pressing from steel instead make a better product and reduce cost of production and shipping or give you some added selling points?

If he finds pressed steel will not be useful he quickly tells you so, and you are in no way obligated.

But if he finds pressing from steel instead will be an advantage to you, our engineering department at once under-

takes the development of the replacement.

Drawings of proposed design are submitted—still without obligation.

If approved, our force of die-makers and press men starts the actual work of pressing it from steel instead for you.

This unusual service is at your disposal NOW

THE YOUNGSTOWN PRESSED STEEL COMPANY

NEW YORK

"Pioneers in Pressed Steel Redevelopment"

CHICAGO

50 East 42nd Street

Warren, Ohio

1644 Straus Building

"will help him much, and some of them are really harmful." He liked E. G. Quamme's article in the December number of THE NATION'S BUSINESS, but thinks his proposals would only make matters worse. Then he suggests these things we ought to do:

1. Work for further restriction of immigration.
2. Encourage more of the farm tenants to move to the cities and make up the labor shortage in the manufacturing districts.
3. Encourage the owners of agricultural land to seed down to grass 20 per cent of the land under cultivation; this reduction in acreage would cause more intensified farming and would reduce production about 15 per cent and would bring prices of farm products up to par with manufactured products.
4. Work for a tariff that will keep the prices as balanced.

LEAN purses are fattened day in and day out through expedient trafficking with certain men who are accessible early and late in shops at the sign of the three balls. Not many of the visitors to those shops make conversation of their errands. They are upon a business that proclaims an extremity of need, and a man's pride is not likely to be set up with a collection of pawn tickets. But the pawnbroker's success depends on a demand for loans, and if no reliance can be placed on advertisement through his borrowers, he must be his own spokesman.

So it is that in Wheeling, West Virginia, a broker has used the newspapers to tell of his business. He believes that it has economic justification, that it is essential to persons in urgent need of small loans, and that its practice is sound and ethical. If printer's ink can build him good will, he means to make conquest of his public—a sort of "in hoc signo vinces" campaign, as it were.

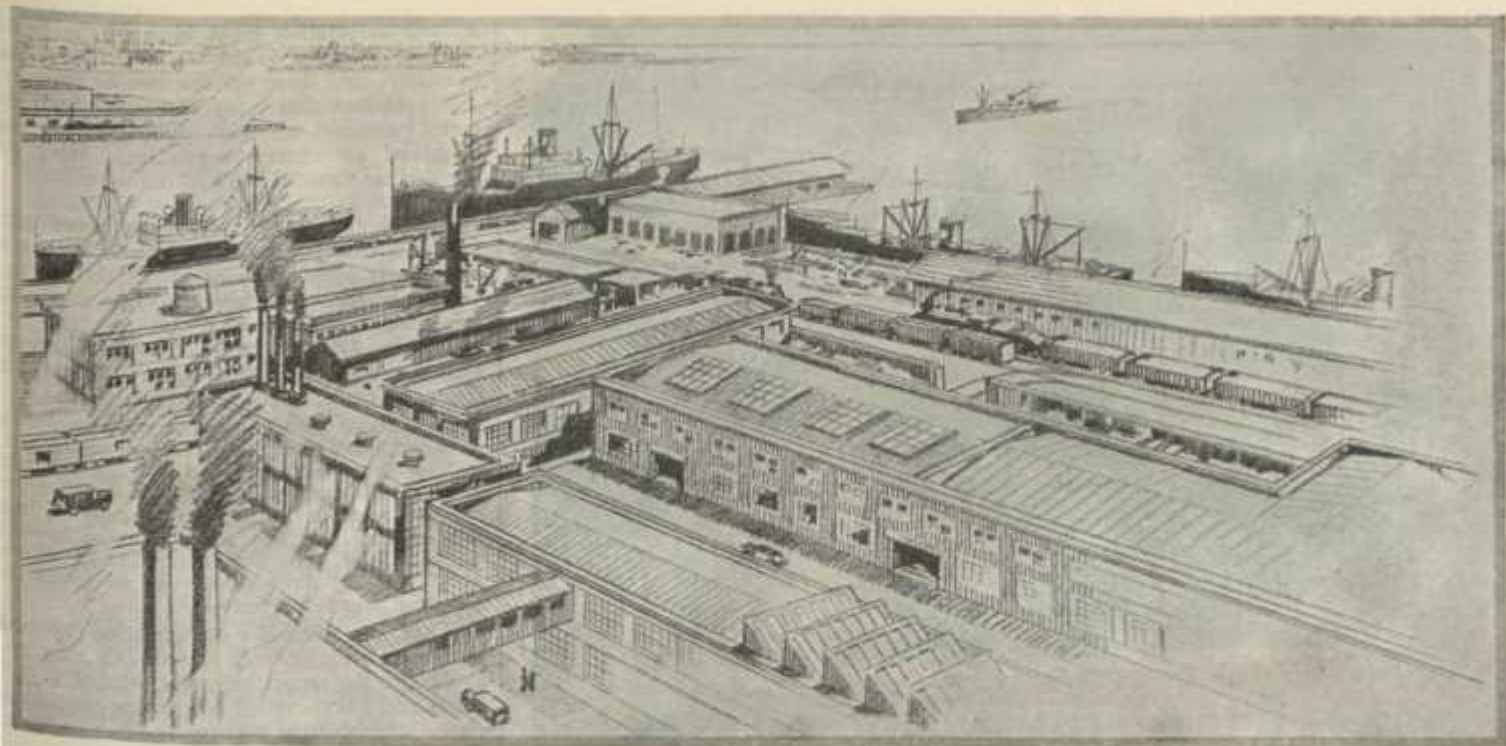
TO KEEP clear of government restriction and regulation, industry must police itself. That is the thought in the last clause of the National Chamber's rules of business conduct:

Business should render restrictive legislation unnecessary through so conducting itself as to deserve and inspire public confidence.

How can business regulate itself? What wrongs shall it right, and by what means? Reflection will show that it cannot be done without careful study and real statesmanship. For example:

In the legislature of one of our largest states not long ago was introduced a bill to limit the salaries of life insurance presidents to \$75,000. A case of government undertaking to regulate business. Shall the business of life insurance regulate itself by putting a limit on the price to be paid for skillful management? Shall it seek to convince a legislature that a president of a great corporation might well be worth twice \$75,000 a year? A question proposed to stimulate thinking and left unanswered.

Here's another case of a different nature: A man builds up a large tailoring business as the "All-Wool Clothing Company." In the beginning he sold all-wool cloth; now, with no thought of misrepresentation, he also sells cloth that isn't all-wool. He doesn't misrepresent. His clerks will tell you—if you ask, and sometimes if you don't—that this piece is wool and that piece part-wool. Is there anything wrong with his way of doing business? Must he change his corporate name, with all that it means in good-will? Can he be led to do it without government statute? Will the dictates of his own conscience or the code of



CANTON, OHIO, or CANTON, CHINA—

Where his markets or sources of supply are located makes little difference to the manufacturer with a factory or warehouse at PORT NEWARK. With seven of America's greatest railroads and the ships of the seven seas literally meeting before his very doors, he is able to buy and sell in any part of the world. And he is assured of the quickest, cheapest, most direct transportation facilities to be found anywhere in America.

Moreover, if he wishes to outstrip his competitors in the richest markets of the East, he can deliver his goods *within twenty-four hours by motor truck* to the greatest buying centers of the Atlantic Seaboard from Boston to Baltimore.

Aside from its unequalled transportation facilities, PORT NEWARK has many strong attractions for the progressive manufacturer. It affords an opportunity to locate within the limits of metropolitan New York, at a cost for land or rentals far below any others in that district. Its land is scientifically laid out for industrial requirements, taxes are reasonable, labor is abundant and the climate favors year 'round operation.

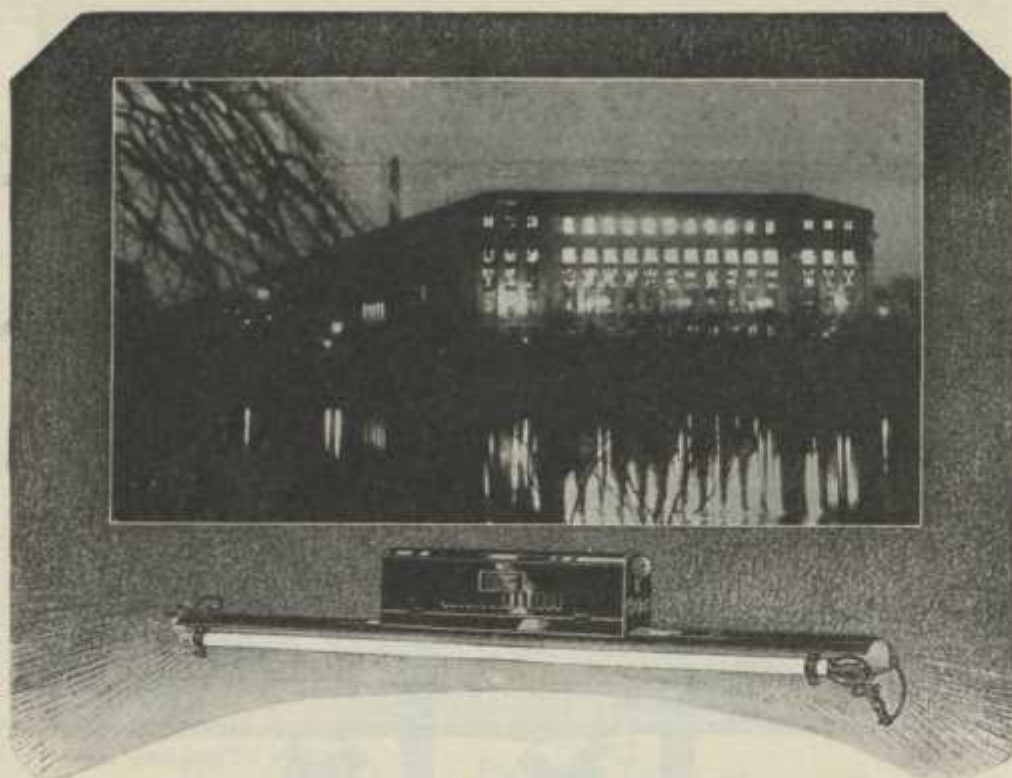
Complete information about this unusual development is contained in the comprehensive free book, "PORT NEWARK."

Write today for your copy.

THOS. L. RAYMOND, Director
Department of Public Improvements Newark, N. J.



PORT NEWARK



A New Word in Plant Illumination



Picture shows a night view of the Bureau of Engraving and Printing at Washington—distinguished by the peculiar clearness of the Work-Light illumination within. Our paper money, Government bonds and stamps have been made under Work-Light since 1907.

WORK-LIGHT—a new name for Cooper Hewitt light which explains instantly why it is different from any other light. Not "artificial daylight," not "that greenish light," not "mercury vapor light"—but "*work-light*." That name bites in. Every factory manager knows what it means.

Think of the various kinds of illumination:—soft reading lights, dim candle lights, brilliant footlights, intense spotlights, powerful searchlights, spreading street lights, and scores of others, performing their specific jobs. Then think of the special job that Cooper Hewitts perform; a light to work by—a *work-light*.

In plants where high production schedules govern every operating detail, you find Work-Light most extensively used. Light that helps men work is an asset that can't be ignored.

We believe the time is coming when the quality of work-light in our factories will be universally recognized as a major influence on production and profits alike.

You will want to know more about Cooper Hewitt Work-Light. Send for the booklet; you will find the details interesting. Cooper Hewitt Electric Company, First and River Streets, Hoboken, N. J.

COOPER HEWITT

Work-Light

19 © C. H. E. Co., 1924

How did you like the June 5 Extra Edition?

If you want to send copies of the June 5 Extra Convention Edition of *NATION'S BUSINESS* to your friends or business associates, a small supply is available at 10c per copy, postpaid.

The NATION'S BUSINESS

WASHINGTON, D. C.

When writing to COOPER HEWITT ELECTRIC COMPANY please mention the Nation's Business

a trade association make him see the light?

Again we have no answer. We are asking questions, and these are but two of innumerable problems that must arise when business seeks to mend its ways and ward off the blight of government regulation. What do our readers think about it?

MUCH talk of business conditions with this evidence and that evidence to prove business is slowing up or is not slowing up. Here is an item which you may fit into your brief anyway you see fit.

Douglas Malcolm of the American Express Company tells me that their bookings for travel up to date exceed those of 1923.

Our sales of travelers cheques, says he, during April exceeded even the record of April, 1923, and for May up to this date are nearly 10 per cent over May of last year. The peak of the five months' sales in 1923 from January 1 was reached May 19. This year we looked forward to this date with some trepidation. When May 19, 1924, arrived, however, we found we had greatly exceeded last year's sales.

When it is taken into consideration that this represents a nation-wide activity, showing, according to the report, the joint sales of 17,000 banks and 5,000 express offices, one conclusion seems safe, that the country as a whole is not timid about the business outlook.

"**SERVICE**" is one of the busiest words in all business, and one of the most popular. It's an ungracious task to seem to object to service, yet in some lines of business, men are asking:

"Are we giving too much service?"

"Why, when I sell a machine, should I promise to keep it running for a year?"

"Isn't it enough to assure the buyer that it will not be defective?"

Mortimer Schiff hit the nail on the head when in a speech to some western bankers the other day, he told of banks that run errands and own community halls and do this and that, and added:

"There can be no such thing as 'free' service, for the operating cost must be met by some one if not compensated for by him to whom it is rendered."

The point lies there. If skillful A and careless B buy a machine, why should A, who does not call for service, be taxed to help B, who does?

Is there not a possibility that the depositor who does not ask his bank to book his passage to Europe may be paying the way of the depositor who does?

And is it fair?

WE ARE indebted to William Feather, of Cleveland, for "A Business Man's Ideal." It was from an address by David R. Forgan, President, National City Bank, Chicago:

To have endured early hardships with fortitude, and overcome difficulties by perseverance; to have founded or developed a large business, useful in itself, and given employment to many; to have achieved fortune, independence, position and influence; to have established a character above reproach; to have accumulated esteem, the confidence and the friendship of his fellows; to have given largely of money to charity, and of time to citizenship; and to have gained all this of the world, without losing the soul by avarice, or by starving the heart into hardness—I say, he who has so lived has nobly lived, and he should find peace with honor when the shadows begin to lengthen and the evening of life draws on.

TWICE in one month we have been accused of being a capitalist. Mr. Jesse T. Brillhart, Supreme Deputy Chancellor of the Supreme Court of the Knights of Liberty,

writes to thank us for printing both sides of a subject and says that "you are more fair than most capitalist editors and I respect and honor you in giving your readers what they wish and for which they are willing to pay the price."

The other reference was on the occasion of making a speech in a southern city. The chairman was obviously a bit nervous. (I do not blame him for this. I think all chairmen should be more nervous than they are in inflicting speakers of unknown ability on an innocent audience.) Just before he arose to introduce me he asked me in a somewhat distracted manner, I thought, "What have you been doing in Cuba?" I replied that since we have six or seven hundred million dollars invested in Cuba, I had been down there looking over business conditions. During the course of his introduction he said:

"Not only is our speaker today a great editor, but he is a man of large property interests. He has between six and seven hundred million dollars invested in Cuba."

I was much embarrassed until I found that the audience was even more embarrassed than I.

But it was a great and glorious feeling just the same.

BECAUSE we dilated on how Fiume sold goods by means of music, our good friend, John Valentine, Secretary of the Huron Commercial Club, chides us gently thus:

Please don't take this as an illustration of American braggadocio (we might as well use that word, speaking of Fiume), but your editorial in the January issue on "Say It with Music" shows that you are guilty of not "Hearing America First."

Some American chamber of commerce "booster" must have given Vienna the idea about sending a choral society into that city's trade territory, for such expeditions are not uncommon, at least up in this Main Street and quasi-Babbitt country. For instance, the Huron Chamber of Commerce last year undertook several visits by business men of this city into our neighboring towns accompanying the Huron Municipal Band. Usually our band gave a concert in the park of the town visited, and afterwards their commercial club passed the cigars and lemonade, while our business people fraternized. Sometimes a concert was given in Huron by our neighbors' band, as a return compliment.

Don't you think this a further vindication of the soul of American business?

NEARLY sixty years ago the Congress made grants of land to the Northern Pacific Railroad. Recommendation is now made that the Congress investigate the railroad's right to the land. It seems that the Government tried to withdraw some of the land for forest reserve. The question got into the courts about eight years ago. Three courts, including the Supreme Court of the United States, held in favor of the railroad.

Charles Donnelly, president of the railroad, brought the case to mind when he dropped in for a chat with us. The talk turned to the proposed congressional investigation of the railroad's title to land held under federal grant. He believes that the proposed investigation is a plain attempt to circumvent the court decisions. His company will be prepared, he says, to submit every fact that may be pertinent to the inquiry. And he adds, "We shall expect to be as successful in satisfying Congress of the merits of our case as we have in satisfying the courts."

The simplicity of his faith is refreshing. Time was when the Congress stood for deliberation. Now it seems to stand for investigation. In that character, settlement of



ABOVE—the handsome new building of the Sears-Roebuck Company in Philadelphia—one of the finest and most modern structures of its kind. Naturally, it is Swartwout equipped. Architects, Geo. C. Nimmens & Co., Chicago, Ill.

RIGHT—the great plant of the International Paper Company, Three Rivers, Canada,—also equipped with Swartwout Ventilators.



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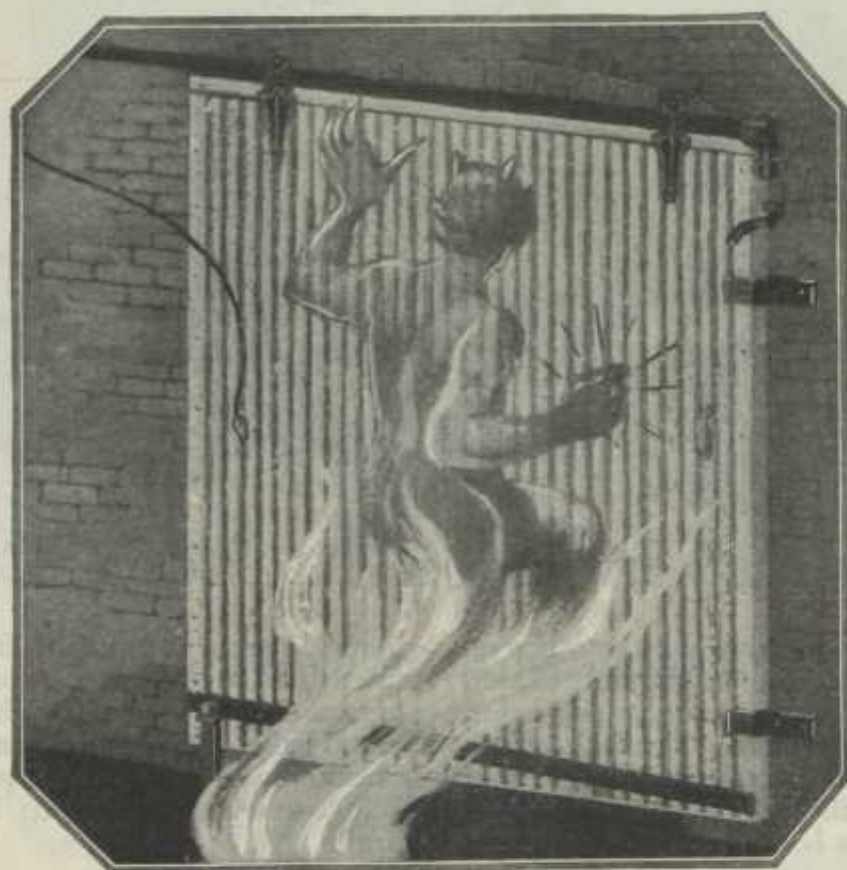
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vexed questions by the courts is not likely to deny it the satisfaction of again turning up old bones. It is significant that men complain constantly of their memory, but none of their judgment.

A DISTINGUISHED lawyer, Mr. H. T. Newcomb, of the Delaware & Hudson, writes:

I have just read, with appreciation, three excellent articles in your issue for April, 1924; those by Messrs. Roberts, Barnes and Rea.

I hope that you have been impressed, as I have, by the juxtaposition of two articles showing the necessary evil results of price fixing and a third article dealing broadly with the one industry which at least since 1906 has been the victim of progressive price fixing.

No one ought to read these articles without inquiring whether American railways are to be described as exceptions to the rule or as its victims. If price fixing is bad for industries in general, why is it not bad for the railway industry? If it is bad for the railways, why does not THE NATION'S BUSINESS say so and lead in a movement looking to the abandonment of the dangerous policy?

CHAIN letters are still afloat on the postal seas, and bob up to plague busy executives. One of those derelicts of the mails provoked the ire of our good friend, R. E. Cook, who looks after the traffic of the H. J. Heinz Company at Pittsburgh. The letter requested him to

copy this and send to (9) people to whom you wish good luck. The chain was started by an American officer and should go around the world three times. Do not break the chain for whoever does will have bad luck. Do it within 24 hours and count nine days and you will have some good luck. Let's go sailing through 1924.

A great waste of time and money, Mr. Cook thinks, to make the chain letter a sop to our inherent superstition. By way of supporting his belief, he figured that were the first letter to run its course through eight complete groups, each person in each group sending nine letters, 4,782,969 letters would have been written at a postage cost of \$95,659.38, to say nothing of the time.

Possibly Mr. Cook lacks sentiment, as he suggests, for "it is with keen delight that I deliberately 'bust' . . . such chains." But it is certain he does not lack common sense.

Chain letters are an unmitigated nuisance. Their pretense to solemn mummery should not save them from the waste basket. The insistence of their refrain brings to mind that long-drawn doggerel about a certain house that one Jack built. But the nursery rignarole did have the saving merit of getting a house built—it was constructive.

CHARLES M. SCHWAB, according to Brother Forbes of *Forbes Magazine*, once told the following story which, while no doubt apocryphal, illustrates why Government cannot carry on business in competition with private initiative:

When Sir Eric Geddes was trying to introduce economies into the English government service, he often noticed in a passage in Whitehall a sentry in uniform. He asked the sentry one day what his duties were. The man said he was there to warn people not to touch the wall. He had been stationed there issuing that warning for years. Why? He did not know. When Sir Eric investigated the matter he found that a war minister's wife had brushed herself on wet paint on that wall thirty-three years before. A warning sentry stationed there that afternoon had remained there, and on the payroll, ever since.

M.T.



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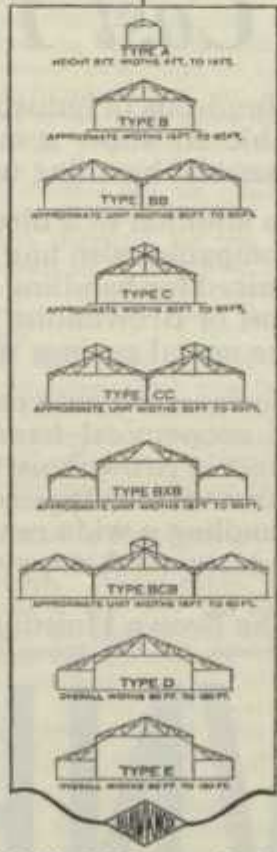
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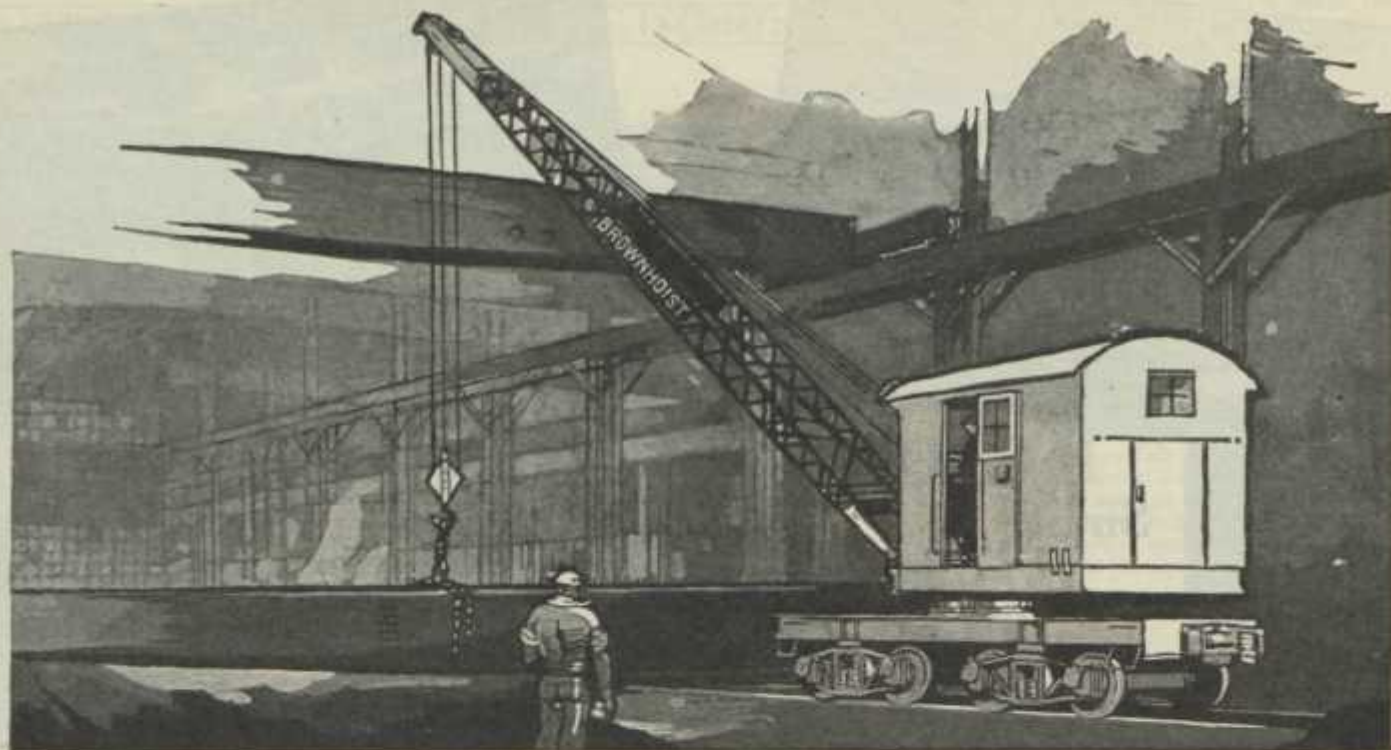


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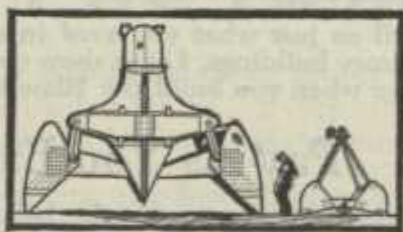
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The NATION'S BUSINESS

VOLUME 12, NUMBER 8

JULY, 1924

A Magazine for Business Men



Can We Trust Industry to Govern Itself

HERBERT HOOVER said something that ought to command the attention of the nation when, addressing the United States Chamber at Cleveland, he declared:

The test of our whole economic and social system is its capacity to cure its own abuses.

Mr. Hoover meant the capacity to cure the abuses where they arise. "The question we need to consider," he explained, "is whether these rules and regulations, which must constitute the cure, are to be developed solely by government or whether they cannot be in some large part developed out of voluntary action of commerce and industry itself." There we have it.

In "The Covered Wagon" the pioneers came to a point where the trail divided, one route leading to the El Dorado of the California gold fields, the other leading to the fertile fields and hard work of Oregon. So today industry faces a division of the trail. One route leads to a governmental El Dorado, where all is covered with the glitter of promised relief from care and work, government doing all things for all men. The other leads to the sterner fields of self-exertion where all men do for themselves so much as possible.

Self-Help Truly American

TO PUT it another way, on the one hand we are offered the philosophy of governmentism, under which the state is to assume more and more the vital functions of organized existence. The outcome of this can only be a great state bureaucracy—a great state socialism. Those who are prepared to start on that trail must be prepared to go the route.

On the other hand, we are offered the philosophy of self-help. This is the truly American philosophy. It is precisely this that has put the spring in our step and the fire in our eyes, as a people. It is all summed up in the homely doctrine of standing on your own feet.

He who leans long enough against a wall will soon be unable to keep away from the wall for any great length of time.

Government today is being petitioned to do all manner of things. It is doing all manner of things. Some of these things it must always do. Some, let us hope, it may cease doing. Let us quote again from Hoover:

The vast tide of these (governmental) regulations that is sweeping onward can be stopped if it is possible to devise, out of the conscience and organization of business itself, those restraints which will cure abuse; that will eliminate waste; that will prevent unnecessary hardship in the working of our economic system; that will march with our larger social understanding. Indeed, it is vitally necessary that we stem this tide if we would preserve that initiative in men which builds up the character, intelligence and progress in our people.

By **CHESTER M. WRIGHT**

Of the American Federation of Labor

We've all heard a lot about clarion notes. That's one, for sure. But it is not merely a call in the abstract. "I believe we now for the first time have the method at hand for voluntary organized determination of standards and their adoption." Thus Hoover brings us down to earth and says, "get busy with the tools that lie to your hand for use."

And, we may add, it is a case of use those tools, or forever hold our peace and take the consequences of a growing state-ism—a growing dependence upon the political state, a growing bureaucracy of governmental machinery, adding to itself at every opportunity, piling up its power, piling up its costs—and giving us precious little in return except restraint and repression.

To picture what this mounting machinery may yet mean to us, consider that we now have one government employe for every twenty-three inhabitants—almost as many pay roll attaches as we have automobiles. The cost of running your car hits you directly and you have a chance to make your own decision as to whether you can stand it. You pay for your one-twenty-third of a government employe indirectly, but you pay. Let the merry pace go on and soon you'll tote the ghost of a government clerk in your tonneau every time you back the bus out of the garage.

How often do we stop to think that when political government came into being as a democratic force for self-rulership it was built upon an agrarian foundation. It was built to gain and guarantee certain human rights. It was built to function in a certain realm.

It was long after democratic political government came into being that we developed modern industry. At the outset, agriculture was the basis of life—that and home handcraft. Today the basis of life is agriculture and organized machine industry, and of the two, it is organized machine industry and the commerce that has grown around it that shapes our institutions and gives character to our lives. It is that which governs our way of living.

Industry is a world unto itself. It is really a thing apart. It needs its own laws, its own regulations, its own guarantees of rights. Observe that many rights guaranteed to individuals by political government have been practically abrogated by modern industry. This is because industry has put whole groups in places where there used to be only individuals.

American industry has grown like a weed. It has wrought miracles—one miracle after

another. It has done magnificent things. It leads the world and we are proud of it—all of us.

But there have been abuses, too. There are abuses. And there will be abuses. Monarchs have grown up in industry—men who rule whole principalities and kingdoms. We have learned political democracy, but we haven't learned much about industrial democracy.

The people, feeling abuses, chafing under them, have turned to government for rectification. They saw no other effective channel. Government, responding to the election returns, has put on brakes. It has put obstacles in the way. It has set up boards, commissions, tribunals. And mostly it has fumbled, because political government loses its competency when it wanders from its own realm and attempts to operate in a foreign field.

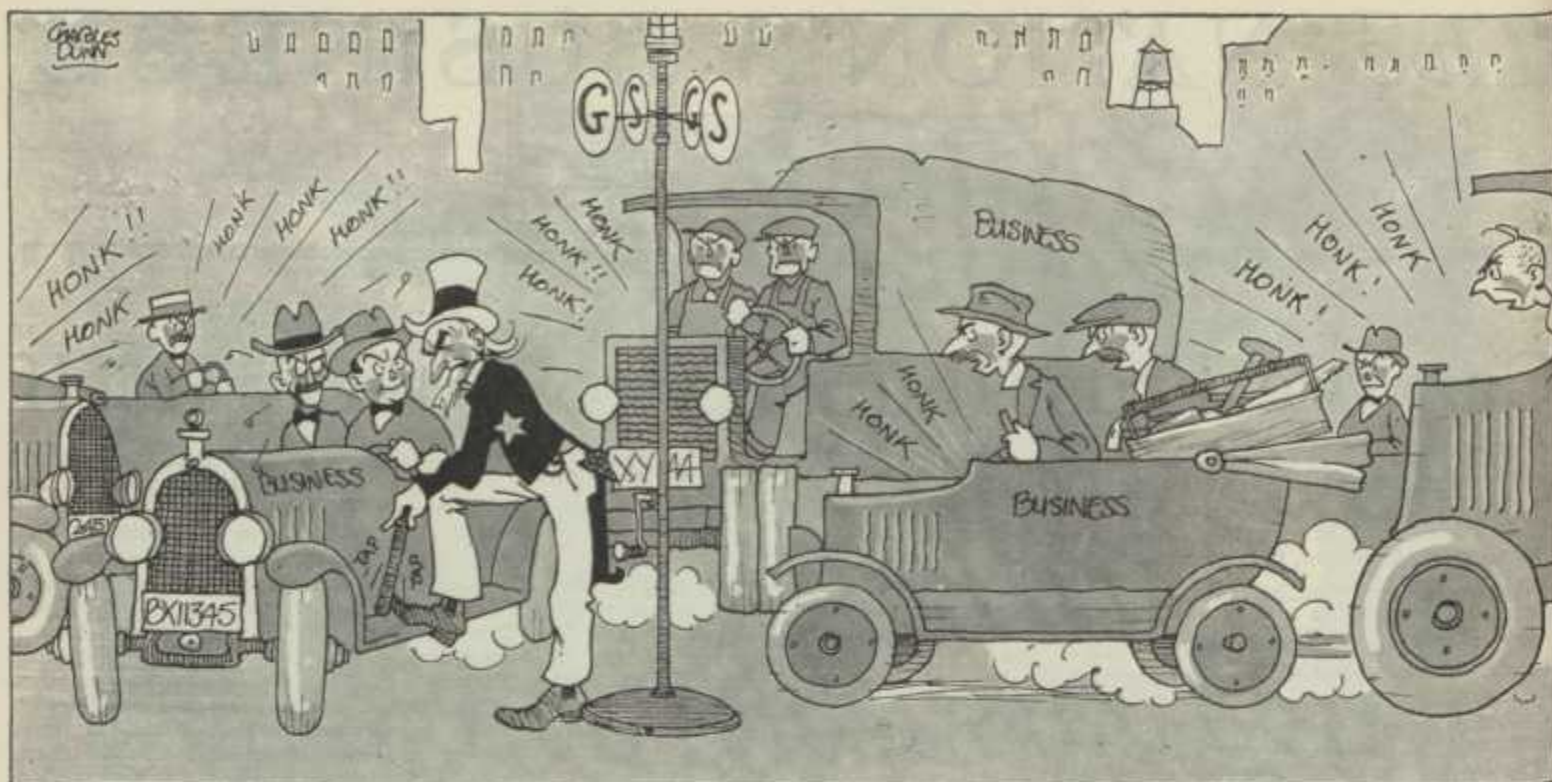
Democratic political government is a monument to the imagination, the determination, the idealism of mankind. But bricks are not made in the White House. Steel rails are neither fabricated nor laid in the Senate Chamber. Coal is not mined in the House. The Attorney General is a lawyer, and neither a master nor a journeyman builder.

Government Now a Busy-Body

WE WILL go down the line to perpetuate free, democratic government; and one of the best ways of perpetuating it is to prevent it from dashing itself to pieces in seas which it is not built to sail.

Today we find our government butting into business in more directions than could be enumerated in these few pages. I'm on a great many mailing lists. Each day the Federal Trade Commission sends me complaints and orders affecting business practices. Black must stop this; Jones must stop that; Brown must stop something else. Now, as Herbert Hoover sees it, and as a great many others see it, Black and Jones and Brown ought to have worked out, with all of their fellows in the industrial and business world, a way of regulating those things themselves. They can erect a machine that will know more about what is right and what is wrong than the government can ever do. Industry knows itself. Business knows itself.

There is the Interstate Commerce Commission, issuing orders regularly to the transportation industry. There are the courts, handing down decisions in industrial cases. There is the Federal Power Commission. There is the Kansas Court of Industrial Relations. There are many more. They are all butting into business and industry, doing good sometimes, obstructing a great many times. As things are we couldn't get along without many of them. But unless industry organizes to get along without govern-



Isn't it possible to police the highways without blocking the traffic?

ment restraint and regulation we shall have these multiplied a hundred-fold and more. It isn't so much what we have that need concern us as it is the trend of things. If we follow the trend we shall land up in a jumbled heap of paternalistic, repressive, coercive, back-breaking, heart-breaking machinery. The trend leads toward an industrial goose-step as sure as fish begets fish.

The prime function of industry and commerce is to make things and to get them to the ultimate consumer. The ultimate consumer is not that weakened, helpless, dejected looking rat of a chap with a crooked market basket on his arm that you see in the cartoons. That helpless individual may typify the possible future product of a few generations of state socialism, but he is not the ultimate consumer of today, because the ultimate consumer of today is a scrapping sort of a customer who is the product of past generations of self-reliant individualists, standing pretty much on his own feet. Let us not allow him to lose the use of those feet!

The prime function of industry is to do things. The prime function of government is to guarantee rights—to see that there is an equal chance, to see that Pete doesn't exercise his own rights to such an extent that he robs Bill of his.

But consider this: When government butts into business it is to inflict upon business—or industry—a series of police regulations. The function of the policeman is to prevent riots, to keep people from jamming up the sidewalk, to stop burglaries or arrest the burglars, to catch runaway horses and runaway children—to stop something. That's what the police are for—to stop something. That's how government butts into industry. It butts in to stop something, not to build or create something. It calls the cops.

Let us not say that industry as it is doesn't need the cops. But let us go further and discover that industry needs something more intelligent and constructive than a police force. The function of industry is to do things, to create things, to keep things moving forward.

Industry brings all sorts of men and women

together in a great effort to pour out upon mankind a flow of commodities which sustain life and make it good. It uses the services of men skilled in the use of tools, men who understand the innermost secrets of marvelous machines, men who are skilled in the manifold lines of engineering, men who know traffic, men who are managers and executives, men who know finance and banking, men who are learned in the sciences, men who give their lives to research.

Industry Knows Its Problems

TAKEN together, these men know every detail and ramification of industry. Within the minds of all this multitude resides the knowledge of how to meet and solve all of the problems of industry. If they don't know, then nobody knows.

But knowledge, to get anywhere, must have the machinery through which to function. And it is the organization of this knowledge for the purposes of industrial self-control that must free industry from the dead hand of tradition and from the uncertain, fumbling hand of political domination. That is what will keep the cops away.

Everything considered, industry, business and commerce work along pretty well. You can get what you want when you want it. Even if you would, you don't have to walk a mile for a camel, nor for a loaf of bread or a ton of coal. Humankind never lived so well, nor so easily, as today in America. Put a pin in that. But give the bureaucrats a chance, and then surely will Fido hear "His Master's Voice" telling him he'll get what he wants when the bureau gets ready.

Industry today is working passionately for better results in production. Meanwhile it has to keep an eye open for the cops. This is because, organized—or half organized—as it is, it more or less naturally does things that convince the people the cops are necessary.

Political government wouldn't work unless there was organization for that purpose. The Colonies couldn't get themselves welded into a nation until they pooled their strength, agreed upon terms of affiliation, and set up

machinery. Finally, the government of the United States stood forth, typifying an agreement that decisions should be made in certain ways and that these decisions should be accepted by all as final.

Industry today has many organizations. There are organizations of every sort—of executives, engineers, employers, workers, bankers, trades, wholesalers, retailers. Already these organizations are making rules, or laws. They are correcting abuses. They are smoothing the road. They are building up codes of ethics and codes of practice. These laws and codes work, too, because they were built out of experience. They are enforced, also, because the enforcement machinery lies within the field of action. Everyone in the field is bound to enforce these laws and codes because everyone in the field is hit by transgression.

It is important to note, too, that these laws and codes are not brought into being and given force until every group affected is sure in advance that his rights are protected as much as the rights of every other group. That we need to have in mind for the future. It need not be expected that any group will consent to machinery which does not promise justice in every direction.

But what is it, then, that we may look forward to? Mr. Hoover said:

I believe that through these (organized) forces we are slowly moving toward some sort of industrial democracy. We are upon its threshold, if these agencies can be directed solely to constructive performance in the public interest. With these agencies used as the machinery for the cultivation and spread of high standards and the elimination of abuses, I am convinced that we shall have entered the great era of self-governing industry and business which has been a dream to many thinkers.

The road to that goal must lie through more perfect organization; and then through federation of organizations, with definite, specified functions brought into being and agreed upon. We have the right to expect that the time will come when industry will rest upon a basis as stable as government, when it will function as continuously, when

its decisions will be made in a manner as orderly, and when its rules and regulations will be as much a matter of common consent and common acceptance.

The American Federation of Labor, in its annual convention in Portland, last October, must have had about the same vision in mind as that set forth by Mr. Hoover. The labor convention adopted a declaration entitled, "Industry's Manifest Duty." In this declaration we read:

Through the muddling conflict of groups which still find it impossible to come together in co-operation we must look to a future that must have its foundation upon cooperation and collaboration. It was pointed out that "The threat of state invasion is real." The reason: It is a combination of industry's own neglect and of government's effort to function where industry for the moment fails or seems to fail that gives us a growing number of boards, commissions and tribunals to add their weight to the burden of industry. Industry, organized as we urge it must be organized, will begin in truth an era of service, rational, natural development and productivity unmatched by past achievement or fancy.

It was held that the true role of industrial groups is to come together in agreement, not to clash and oppose weight against weight. This is worthy of the reading:

The true role of industrial groups... is to come together, to legislate in peace, to find the way forward in collaboration, to give of their best for the satisfaction of human needs. There must come to industry the orderly functioning that we have been able to develop in our political life. We must find the way to the development of an industrial franchise comparable to our political franchise. There must be developed a sense of responsibility and justice and orderliness.

It is set forth that "To function must be the object and democratic participation of all who give service must be the mechanism that makes this possible." (The italics are mine.)

Samuel Gompers has written that "Humanity is becoming well organized along lines

of usefulness" that run hither and thither across all manner of political boundaries. These organizations, he has pointed out, "are making rules of life and conduct" which affect many millions of persons.

"The rules made by organizations of employers and manufacturers," he has said, "affect materials and they affect conduct. That is, they are exactly like the laws made by political government; one set affects property, another set affects life."

Mr. Gompers has pointed out that "employers make laws and workers make laws" and that "both, sitting together, make laws." And, "the laws so made are the laws that today most vitally affect the masses of the people and most surely protect the foundations of civilization."

Coming of Industry's Government

MR. HOOVER, in Cleveland, almost echoed these further words of Mr. Gompers: "Industry will build up its government of industry. Industrial government must come to save industrial society." From what? From the menace of an overshadowing state bureaucracy, reaching out, grasping for more and more dominion, more and more power, more and more machinery, more and more armies of men and women engaged in doing what at best they can only partly understand—and forever playing politics to keep their jobs.

The two well recognized philosophies—to give them their big, scientific name—are at work. The emotionalists and the intelligentia all flock to the banner of state domination. They are all for calling the cops—all for rushing ahead into state operation of all kinds. They are for putting the government into more business. There never was a time when there were so many dogmas and isms, so many sects and insects, so many propagandists of the coteries, as another has called them. Some are more drastic and poisonous, more crazy and destructive than others, but they have at least one common denomina-

tor, and that is: more power to the state.

The state is not omnipotent. It has no super intelligence. It has little more than the average intelligence of those who comprise the state, and it never can have. Industry has in each of its branches and divisions the expert knowledge developed in that branch. That is something to think about, too.

So, there we are. Where do we go from here? Do we follow the holiday banners of those who have many banners and much emotion, but little knowledge, little comprehension and mostly not much responsibility? Or do we stick to the underlying philosophy of American life, recognizing that we live in an industrial age which if it can go forward normally, will make life better and better, but which, if tampered with too much, if thwarted by "verboten" signs too generously sprinkled around, may engulf itself and all about it?

There is a clear road, but it is not a short one. "Utopia" is not to be written in flaming letters across tomorrow's sky. It is not a case of a Promised Land into which we may all troop cheerfully, bedecked in garlands. Nothing like that! It is merely a case of natural, evolutionary development. What the state domination folks would do is to thwart this evolutionary development. The other thing is to recognize the normal thing and give it a chance. And perhaps to help it along here and there. Yes, very much to help it along. Because those who see the road have many chances to travel more speedily—and perchance even to fix the road a bit as they go.

There never was a time when humanity had it so within its power to shape the future, or to give natural forces a chance to develop naturally.

And finally, this: If we don't stop calling that cop, presently the cop will have us locked up. After that happens it will be very difficult to write "and they lived happily ever after" as the finis of the story of American industrial civilization.

Decisions in Court Cases Affecting Business

"O PPOSED to that sense of fairness which is almost instinctive" is the characterization given by the Federal Circuit Court of Appeals to the Federal Trade Commission's procedure in a case in which it had ordered a manufacturer to "cease and desist" from statements about another manufacturer's products.

The manufacturer against whom the commission proceeded unfairly had submitted his competitor's product to analyses by independent and competent chemists. The result, to say the least, was not a favorable advertisement for the competitor's product. This analysis the manufacturer sent to dealers, suggesting they confirm it. This caused the competitor to turn to the Trade Commission, and in time the commission issued an order directing the manufacturer to stop using "unfair" competition—i.e., undoubtedly, from the manufacturer's point of view, to cease trying to protect his own product from being driven off the market by a spurious article such as the analysis disclosed.

In characterizing the commission's procedure as unfair the court was commenting upon the evidence the commission had received upon behalf of the maker of the article which independent analyses had condemned. Respecting the evidence the commission might receive the court was liberal, saying that the commission might receive evidence not le-

gally competent in a judicial proceeding so long as it is of the kind that usually affects fair-minded men in their conduct and provided the taking of evidence is fairly done. These were the tests which the court declared the commission had violated.

The decision did not turn upon the conclusion of the court that the commission had proceeded in an improper way. The judges thought there was a still more important question before them. They pointed to that part of the law which says that any proceeding of the commission is to be in the interest of the public. Upon turning to the evidence before the commission, the court held it was proved that the article of the competitor was misbranded and that the commission's action was calculated to reinstate this misbranded article in the market.

So far from being in the public interest, the commission's proceeding was therefore contrary to it, since the public can have no interest in advancing the sales of a misbranded article.

LIVE chickens to the value of \$50,000,000 and more a year find their way from farms, especially of the Middle West, to market in New York City. A good part of these chickens are purchased from the New York agents of shippers in the West and Middle West for slaughter in the Kosher form.

The price on this volume of business, however, has been fixed by the New York buyers, acting through a committee of seven. On each business day the members of the committee interviewed the shippers' agents, ascertained the supplies on hand and to be expected, and agreed among themselves upon the price the buyers would pay. This price they then notified to the shippers' agents and that was the only price at which members of the buyers' organization purchased during that day.

Eventually, this very effective arrangement attracted the attention of the Department of Justice, which proceeded under the anti-trust laws. The buyers contended they were not engaged in interstate commerce and that, if they were, they imposed only reasonable restraints.

In April the lower federal court upheld the contention of the Department of Justice. It thought the buyers were unmistakably affecting interstate commerce and could not perceive reasonableness in a restraint that was not natural and incidental but was arbitrary and arbitrarily imposed. The court could not find an excuse for the contention of buyers in a combination of sellers, saying there was no evidence of such an organization and that in fact individual sellers of live poultry had to contend with the collective power of the buyers.

Oregon's Remedy for Farm Ills

By FREDERICK SIMPICH

OREGON is given to bold brain throbs, to virginity in thinking. More than once she has turned from the stale political tripe, offered by second-hand minds, to prescribe for herself.

Lately she has done some snappy mental setting-up exercises on the problems of agriculture. For, like every other farm state, she has farm troubles. Her fruit, stock and grain growers are men of sorrow, acquainted with grief. Also, these farmers have the earache, and are bewildered. Many voices are in the air.

To Oregon, as to every farm state from coast to coast, has come an avalanche of advice—wise and otherwise.

Culled from this chorus of contradictions, here are a few of the cries that bothered Oregon, just as they bother Kansas, Kentucky and Georgia. See how confusing they are, paired and posed, the ayes against the nays—and who to say whether the ayes or nays "have it!"

Congress must act, to save our agriculture. Lays can't save the farmers.

Grow more of what Europe wants.

Grow less of everything.

Give more farm credits.

Give less; too much hurts—look at the Northwest!

Crucify the middleman; everybody cooperate.

"You can't," says the economist. "He's a part of the works; he brings city skill and capital. How could a farmer growing onions in Texas drive a delivery wagon in Chicago?"

Raise the tariff!

Lower the tariff—the farmer's sugar costs too much.

More duty on Canadian hard wheat.

Yes—and your bread will cost you more, objects the baker.

Back to the land!

Back to the city!

"Raise the import duty on cattle," Texas cries.

"Take it off," urges Iowa—so we can import feeders from Canada.

Millions for irrigation—more open spaces for would-be farmers.

Stop it—too much land is already plowed.

Oregon heard all this—and more. She heard people say that even the farm bloc is baffled; that it knows, now how hard it is for a vast land like ours to find and follow any one fixed, national farm policy. We are so big.

Too big! Distance is one difficulty. "Cut the freight on fruit!" Idaho demands, "so we can ship east." "Don't," begs the apple man in New York—or West Virginia—"you'll ruin us!"

This conflict of interests, political and

economic; this friction between competitive geographical areas—north against south, east against west—all these clashes are factors in our national farm problem.

"Diversify," Oregon heard people say. "Diversify, you one-crop men. Save yourselves with fruit, with sacrificial swine, the prolific hen, and the playful unsuspecting lamb."

"Don't diversify!" Why?

Well, look at Georgia. When she was a one-crop cotton state, she had to buy—let us assume—much meat, butter, and mules from Missouri. But now, we hear, Georgia is diversifying—growing millions a year worth of new stuff that she never grew in her cotton days.

"Good for

ment of Agriculture, our bankers and economists, hear 34,000,000 farmers cry for help. Now and then—in this clamor—the "nays" detect a false note.

"Seventy-five per cent of our farms are mortgaged," one state complains.

"So are 90 per cent of all homes in Washington, D. C.—and probably also in Keokuk, and Tucumcari, Arizona"—the nays respond.

"The average farm profit last year was under \$800," we read.

Millions, toiling in cities, couldn't save a cent!

Interesting, if true, admits Oregon. Anyway, put it all in the evidence, and let us ponder it. Up here amid the big trees, the waterfalls and leaping salmon, the pondering is fine. Part of these bucolic wails are goat feathers, and tickle our ears. But much is fundamental. Economic changes are sweeping the world. There must come new adjustments, not only between farms and cities, but among the states, as farm units.

Policies, too, must change, says Oregon; until now, for example, our "ag" schools, our Government, have taught us only how to grow more. Not what to grow, nor how to sell it. We've worried a lot at the point of production; and thought too little about conditions at the point of consumption. Hence these cries of pain.

But the cure? Perhaps Oregon will find it. Certainly, her experiment is very business-like. It is worth reading about.

It was to start on a new basis of investigation that Oregon's now much-talked-of Farm Economic Conference was held in January last at her agricultural school in the little town of Corvallis.

Primarily, the conference was called to work out a program for the limitation and control of farm production in Oregon, and the adoption of comprehensive market methods—in the carrying out of which all agencies in Oregon are to unite.

Because Prof. Paul V. Maris, Extension Service Director of the Oregon Agricultural College, took a leading part in this undertaking, many call it the Maris Plan.

At this conference, committees of specialists worked out careful surveys in all major branches of farming, fruit growing, stock and poultry raising, with minute attention to market problems.

We will no longer proceed blindly, the conference declared, by old hit-and-miss methods in which every farmer or stockman groped alone. From now on we shall analyze every step. To develop Oregon's agriculture, and preserve a sane balance between production and marketing possibilities, we shall mutually agree to study every kind of crop, and every sort of live-stock and poultry activity, not simply to determine and be guided by its relation to Oregon agriculture as a whole, but by its relation to farm activities and production in competing states.

With all production facts before it, the conference made a thorough survey of consumption of farm produce, commodities and foodstuffs in Oregon, to see just how much of each product must be sold outside the

Conflicting Remedies For Sick Farms

- 1 Congress must pass farm legislation
Lays can't save the farmer
- 2 Grow more for European markets
Grow less of everything
- 3 Give more farm credits
Give less—too much hurts
- 4 Crucify the middleman
Cooperate with the middleman
- 5 Raise the tariff
Lower the tariff
- 6 Increase duty on Canadian hard wheat
Leave the duty as it is
- 7 Millions for irrigation—more land
Stop it—too many acres in cultivation now
- 8 Increase import duty on cattle
Take it off and import feeders
- 9 Back to the land
Back to the city



In Oregon, as in most other states, agriculture is ailing. Out in this Northwest commonwealth, however, they did not resort to the first general remedy suggested but wisely made a thorough and scientific diagnosis of the patient and then prescribed a specific cure. The remedy is now at work and the patient is said to be improving.

Georgia!" some cry. "Yes, but rough on us—we've lost a good market." Who says that? Why, the Missouri people; or the Iowa or Indiana people who—till Georgia "diversified"—used to sell her bigger orders of meat, butter and mules.

Even in their sleep, Congress, our Depart-

state. With this question answered, it took up the study of transport, or competition, and market methods.

Butter making, for example, is an important industry. Oregon makes more than it eats. It therefore has butter to export. Certain nearby states, however, make less than they consume. Obviously, there is Oregon's market.

But, says the committee's report, although demand is great in neighbor states, they demand a high-scoring butter. And "a very small proportion of the butter produced in Oregon can be classed as better than average and much of it is low".... Hence, concludes the experts' report, Oregon can sell more butter, at a higher price, by making butter better.

It then shows, in detail, how present conditions can be improved, to produce a higher grade of dairy products. For example, it reveals that on dairy farms only 48.7 per cent of the dairy bulls are pure-bred, leaving 51.2 per cent of scrubs in use. It shows that some dairy men buy 40 per cent of their cow feed, instead of growing more for their own needs; and that many who do grow ample feed are not growing the best kinds. Further analysis shows that most dairy herds are too small to earn maximum profits; labor and overhead on small herds are too high to give many owners more than a bare living. Increasing a herd, even by a few cows, decreases costs.

Furthermore, says the report, the production of more cream per herd means more frequent deliveries to the creamery—which means that cream would reach the plant in

better condition, and make butter that would bring a higher price.

Going further, a great variation was found in the cost of producing milk. It varied from \$1.80 to \$4.00 per 100 pounds. Production per individual cow, then, becomes an important factor. The average production per

apples, prunes, and berries planted, the greater would be their prosperity."

America's fruit crop has increased over 61 per cent in the last seven years.

Oregon, with so much invested in orchards, took a nation-wide view of the fruit market. We are now eating all the fruit we can hold,

dietitians say. So our fruit consumption will probably increase, in future, no faster than population.

Oregon's conclusions may be bad news for promoters of orchard land projects. Nevertheless, the report says, we now have enough apple trees. In fact, and briefly, it figures that apple tree plantings in America should be decreased by more than 3,000,000 annually.

Whether Oregon should share in general future apple tree planting depends on what other apple regions do. Heavy plantings in eastern states might prove disastrous to new orchards in Oregon. Only in special cases, it seems, where conditions are very favorable or necessary to complete an economic orchard unit, is more tree planting now to be recommended.

It is no secret, says the report, that Oregon's per acre crop of apples is too low for profit. For the past three years, it has stood at 113 boxes per acre; to be profitable, in general, an orchard should yield at least 150 boxes. Good management can make some orchards pay, that now lose; but those hurt by frost, tree pests, or drought—or those which stand in poor locations, may never be money makers.

Many failures are due to absentee ownership. Fruit-growing calls for all the time and attention of experienced men. Promotion schemes, by persons interested in exploitation rather than in profits from fruit, have been the cause of much loss in Pacific Northwest orchard investments.

To put Oregon orchard men back on their feet, the conference urged many reforms. Here are some of them:

Federal licensing of all distributors.
National advertising.

Boost sweet cider as a beverage, on some basis that will not violate the prohibition laws, thereby recovering a market for millions of bushels of apples which—since the dry law—have been needlessly wasted.

Investigate bulk-shipment possibilities and present grading methods.

Find whether west-bound refrigerator cars cannot be used to augment railway revenues, in order thereby to get lower rates east.

The whole world is too full of prunes, says Oregon.

Our Pacific Coast has a 100 per cent monopoly on dried prune production in America, but it grows too many little ones. And no American eats enough prunes—to please the growers. We now eat only 1½ pounds each, per annum.

At the rate they're picking and drying them now, in the three coast states of Washington, Oregon and California, we'll have a surplus this year of 135,000,000 pounds. In five years more, when young trees grow up, our surplus will be close to 226,000,000 pounds! That's a lot, to find a market for overseas,



COURTESY OF DEPARTMENT OF AGRICULTURE

Oregon is learning to grow more and better corn on acres scientifically chosen for producing the best yield. This should cut the cost of feed, much of which is now shipped from Omaha and bought at the Omaha price, plus transportation.

cow in the state was found to be 168 pounds of butter fat. But, also, cost-production studies showed that a cow must produce 240 pounds a year for the farmer to break even! Many who didn't know this wondered why they lost money when a neighbor—milking the same number of cows—sold cream at a profit. High production per cow depends on good ancestry and right feeding.

Because this dairy survey by Oregon is so thorough and businesslike, I quote a few of its recommendations:

An adequate system of cream-grading, rigidly enforced by law.

Minimum dairy herds of ten cows; for more economical production, increase to above twenty-five.

Keep systematic paper records of production per cow, by cow-testing associations, thus to weed out unprofitable animals.

By county campaigns, increase the use of pure-bred bulls and dispose of scrubs.

Feed dairy herds only leguminous hay; the basic idea being that dairy farms should grow all their own feed, except perhaps a few feeds for special purposes.

Advertise and encourage boys' and girls' farm club work.

Oregon fruit men have lost heavily because, in boom days, thousands of trees were planted with little thought of what might be done with the fruit when the trees began to bear.

"Plantings were guided more by fancy than reason. Many thought that the more



COURTESY OF DEPARTMENT OF AGRICULTURE

Cows! Farmers the breadth of the land have been told that the lowing line would lift the mortgage, and in Oregon they are improving their herds that the standard of milk may be raised to meet the demands of an outside market.

when you stop to think that France alone grows maybe 65,000,000 pounds!

Wherefore, says the Oregon Conference, America must grow bigger prunes—and eat more of them.

"We recognize," says the report, "that no organization now controls a sufficient volume of prunes to establish prices, to market and to advertise." . . . Therefore, this body favors an organization to:

1. Establish uniform grade and pack.
2. Establish a uniform trade-mark.
3. To advertise.
4. To develop a central sales agency.

In the same thorough way the Corvallis Conference took up other kinds of farm troubles.

In a careful survey of the whole state, it pointed out the various natural and economic limitations upon, or advantages in, the raising of different crops and animals in the various sections of Oregon.

It urged potato men, for example, not to increase acreage—but to intensify, to seek heavier production per acre, to change to earlier varieties, and to grow high-grade potatoes for export as seed.

It fought weeds, and urged new laws to help to destroy them; it urged that where rented land is infested with serious perennial weeds, rental contracts shall provide for adjusted compensation to reimburse the renter for extra weed control work.

It found that Oregon—because of soil and climate—is peculiarly able to grow certain seeds profitably. Such seeds as clovers, alfalfa and grasses, always high-priced and difficult to grow in many regions, can be raised easily and at a profit in many valleys of Oregon. These seeds, being small in bulk but worth many dollars a bushel, can easily be shipped long distances to states where none are grown. Missouri, for example, plants lots of clover seed—for forage and fertilizing—but often a spell of bad weather spoils the crop for seed purposes.

Nobody can work out a sales plan good for all time, the report says. The world changes its ways too often. Fads and fashions constantly shift the demand from one thing to another.

Advertising speeds up demand for one product, and weakens it for another. Thrift campaigns slow up demand for things quickly consumed, and increases it for things used in production. Wars and their aftermaths upset supplies and demands.

Safe, sane plans to market farm products, then, can only point the way for the present, and the immediate future.

To Oregon farmers—and all others—many market methods are open. The report describes them all—from peddling, public markets and parcel post, to the latest, highly or-

ganized private and cooperative integrated organizations.

But a system good for one farmer might not be best for another. How each man should sell depends on the character of his product, the time and place of marketing, cost of freight, and the financial strength of the farmer.

It is urged, however, that whenever feasible farmers should market their products cooperatively. But in plain words, the pitfalls of this system—when tried by untrained men—are pointed out.

"Fine!" you admit. Oregon is some torch-bearer! The best minds, convened at Corvallis, did a good job. But how about the farmers? Will they, so to speak, keep step to all these new tunes? Oregon believes they will. Our farmers, she says, are mostly of earlier American stock, progressive, willing to quit the old for the new.

By chance, at the Reclamation Bureau in Washington, I met two splendid men of Oregon—Judge Dalton Biggs, of the Ninth Judicial District, and R. H. DeArmond, a cattle rancher from near Vale.

When not on the bench, digging for law and precedents, the Judge digs potatoes. From his appearance, I fancy he wields a wicked wig—on court days—and can look any potato in the eye.

"Ten years ago," said Judge Biggs, "I urged Oregon friends not to plant too many apple trees. They pointed to the growth of the cities—and increasing consumption per capita. . . . Well, Oregon has now actually cut down thousands of apple trees. Not foolishly, at random, but here and there—by careful elimination of the least marketable varieties, etc.—attempting to restore the balance between crops and markets that Professor Maris aims at.

Growing Crops to Demand

BY COMPARISON, our sheep men may be better off than anyone else. Wool brings a good price. But here again we have our problems. America must import half or more of all its wool—and pays a high import duty. Now we have a large area of range that should be used, or we lose the income from one of our chief natural resources. Thousands of acres of this are best suited for running sheep. Why, then, shouldn't we run more sheep? Here is one place where the Maris plan may work well—by using to the utmost advantage the resources we have at hand in growing a product wherein there is no overproduction and command a price.

"You see, Oregon sheep go to Chicago—and Kansas City. But the average sheep man knows nothing of market conditions in these far-away cities, or what their trend, due to the state of the sheep industry in other states, is likely to be. So, if by a Maris-

plan world survey or a national survey, the Oregon sheep man might learn something in advance of probable future supplies, demands and price trends, he might be guided a bit—whether to grow big sheep for mutton or fine sheep for wool.

"Oregon takes Maris seriously. Undoubtedly, his survey is helpful. As to what degree this plan will succeed, nobody knows. But it's an interesting experiment, worth trying—a right step.

"For example, last spring Maris spoke at Ontario. Around there, many farmers wanted to plant beans.

"Don't," warned Maris. "Everybody down the Snake River Valley, as far down as Twin Falls, is going to plant beans. Overproduction is inevitable. Raise corn.

"Maris was right, I think. Oregon now grows but little corn; much of the state is not fit for it. Some has to be shipped from Omaha; so we pay Omaha prices, plus freight. So we're growing corn, in the spots chosen by the experts.

"Also, as Maris pointed out, we have had to ship in red clover seed; so, at his suggestion, we are starting to grow some in the spots he points out as favorable for it.

"It is in telling us what production and consumption conditions are on the outside that also makes the Maris plan useful to Oregon. Take potatoes; Maris says raise early varieties. One season, before I'd heard about this, I dug my crop of 120 acres and shipped 'em east—only to get one cent a bushel more than I could have got at home. Next season, I planted the early kind; I got them on the market at a profit—but in less than a week the price dropped 35 cents a bushel!

"To teach Oregon which of her products she can market ahead of similar things from competing states, is one aim of the new plan. So it becomes a sort of clearing house for crop and market news."

Some city people are vexed at this cry for government aid to farmers. "It's class legislation," they complain. "Farmers demand money for farm credits, irrigation aid, and export schemes to help dump wheat abroad. Wouldn't it be just as logical to ask Congress to help the maker of farm machinery to export his product? Or to pension trapeze artists while the circus is in winter quarters?

I know a man in Missouri who owns 200 acres. Even before the war, it was easily worth \$20,000. He is old, and must rent. But \$3 or \$4 an acre is all tenants will pay. That's \$800 a year, at most, and his taxes—school, federal and otherwise—are \$360. That leaves him and his wife \$440 a year to live on. They can't; but they must. Who is to blame for his plight?

In the meantime, Oregon turns from oratory and political tripe to a sound plan of self-help. Maybe, after all, that is the answer.



Nature has done well by Oregon for here are wide and fertile ranges for sheep grazing. Circumstance, too, has played into her hand, for America can produce only half the wool that it needs. So the Oregon farmers have decided to make the most of their two-ply opportunity and are raising more sheep to relieve the wool shortage.

Brains + Money = Lower Freights

By ROBERT S. HENRY

TUCKED in among the patent medicine ads of seventy years ago, the Pennsylvania Railroad modestly announced in the *Nashville Union and American* of June 30, 1854, that it would haul first-class freight from Pittsburgh to Philadelphia or Baltimore, with all diligence and dispatch and without change of cars, at the rate of 90 cents per hundred pounds.

The leading hotel of Nashville, in the same newspaper, advertised that its rate for "elegant board" was 75 cents per day, or \$1 for man and horse. Readers of a commercial turn of mind were advised that bacon was selling for 4 1/4 cents per pound at Cincinnati, that New Orleans cotton was from 4 to 7 cents a pound, Louisville tobacco from \$4.50 to \$6.50 a hoghead, and Cincinnati whiskey "22 cents." Whether the latter quotation was by the gallon, the quart or the drink does not appear. Fifty cents was the day's wage for labor then—and it wasn't an eight-hour day either.

Today hotel rooms, with three meals, can hardly be had for 75 cents a day, nor is bacon less than a nickel a pound. Wages are figured by the hour instead of the day, and whiskey is no longer "22 cents" at Cincinnati or anywhere else.

But—in 1924, first-class freight moves from Pittsburgh to Baltimore for 77 cents a hundred pounds and to Philadelphia for 79 cents—a cut of 13 and 11 cents, respectively, in the rates of seventy years ago.

Can such a seeming paradox be explained? Very easily.

As costs have increased for each man-hour of labor, each pound of fuel, each piece of equipment used by the railroads, the increased costs have been met by an increased output of ton-miles of transportation and a resultant saving to the shipper. Getting that increased output has been the real problem of the railroads, and today, with an insistent demand from many sources that rates be lowered regardless of costs, it is a tougher problem than ever. The solution requires more than technical skill in railroad operation. It requires capital, invested savings, mixed with

railroad brains. There were good railroaders a generation ago, but the daily output of transportation for each man employed in 1895 was 279 ton-miles as compared with 606 ton-miles in 1923. The 1923 freight car handled 484 ton-miles of freight a day, while the 1895 car handled but 200 ton-miles daily. The in-

crease in output had not been increased, it would have required some 70 per cent more freight train mileage to have handled the business. Assuming that such a mileage could have been made with the facilities that existed in 1920—a very violent assumption indeed—the added cost to the railroads and to the consumer would have been about a billion dollars.

There is no reason to believe that the next ten years will not see a similar increase in the transportation demands of the country. If it is to be met efficiently and economically, there must be still more improvements in track, yards, bridges, locomotives, cars, shops, everything. Business keeps growing in this country, and the railroads must grow with it.

"The railroads ought to" is the starting point of many a public dissertation and private discourse. I don't know what the railroads ought to do. I am inclined to think, though, that railroad executives and operating men know some of the things they should do to improve their plants and their service, and in this article I shall outline some of the things they are doing and planning.

Knowing what to do is but the first step in meeting increased costs with improved facilities. Finding the money or the credit with which to finance the doing is the second, and perhaps the more difficult, step. The United States Chamber of Commerce, through its special committee on the needs of transportation, is authority for the estimate that it will require \$750,000,000 a year for the next ten years to keep the railroads abreast of the country's needs.

That many free-roving dollars that don't have to go into the railroad business unless they want to, must be made to want to go in, in

the face of the fact that railroad earnings are limited by law, that railroad revenues are now the object of political attack in Congress and that railroad taxes have passed a million dollars a day. Dollars are curiously like men. They will not work at railroad-ing, or anything else, unless they see a chance to make a living.

But if the money can be found, and the same process of spending money to save money can be carried on, there are the same possibilities of increasing efficiency and reducing costs today that there were seventy years ago. And the people who would get the benefit of the savings made possible by spending this money for productive purposes would be not so much the railroad investors or even

BY TELEGRAPH.

NEW ORLEANS, June 5.—Provisions exceedingly dull and depressed. Mess Pork, \$12; Bacon Sides, 5 1/4; Shoulder, 4 7/8; Whisky, 22; Lard, bbl. 9 1/2 a 9 3/4; Rio Coffee dull, 9 1/2 a 10; Fair Sugar 3 3/8; Molasses 10 a 10 1/2 c.

The Webster arrived at Balize Monday at noon with a fortnight's later date from California. Passengers through from San Francisco in 19 days and 20 hours. Reports Star of the West sailed for New York on the 31st, with 250 passengers and nearly a million and a half treasure.

The revolution at Nicaragua is reported successful. The Webster will be in to-night.

SPECIAL

Messrs. Editors U case

COTTON—Sat. ut of news. Barely t, un Middling 7c, S' if pa where

Remedies th lay in to a e 2nd

Two clippings from a Nashville newspaper of seventy years ago, one quoting commodity prices that make the present-day dollar look as small as a telephone slug; the other, advertising freight rates considerably higher than those now effective between the same points

PENNSYLVANIA RAILROAD.—This Road being now complete, it opens a communication between Pittsburgh and Philadelphia, or Pittsburgh and Baltimore, by which freight from the West can reach an Eastern Market quicker and cheaper than by any of the present rival routes. They connect with the Daily Packets at Pittsburgh, from St. Louis, Louisville, Cincinnati, Wheeling, and all the different points on the Western waters; also with the Cleveland and Pittsburgh Railroad and Ohio and Pennsylvania Railroad, at Pittsburgh.

Cars run through between Pittsburgh and Philadelphia, without transshipment of freight—an advantage that can be appreciated by all shippers.

In case of obstruction of navigation, by Ice or low water, Freights Westward can be forwarded from Pittsburgh to Cincinnati, or towns in the interior, by Railroad.

Rates of Freight between Pittsburgh and Philadelphia or Baltimore.

	WINTER RATES.	SUMMER RATES.
FIRST CLASS.		
Dry Goods, Boots, Shoes, Hats, and Capeting, Furs and Peltries, Feathers, Saddlery, &c.....	per 100 lbs. 90cts. 75cts	
SECOND CLASS. —Books and Stationary, Dry Goods in bales, Drugs, Glassware, Groceries, (except Coffee,) Hardware, Holloware, Machinery, Oil Cloth, Wool, &c.....	75cts. 60cts	
THIRD CLASS. —Bagging, Bacon, and Pork in bulk, Buttersalted, Corn in cogs, Flaxseed Hogs' Hair.....		

crease in output is largely due to an improved railroad plant and to the better methods of operation which the increase in output made possible.

A 1924 engine could not run on 1854 tracks, or 1894 tracks either, nor could it pull its load over 1894 grades or around 1894 curves. Consequently, tremendous sums have been spent in the generation past for tracks and engines and cars and all the other things that go to make a railroad, all to the end that the freight train, which is the real unit of railroad cost, might be made to move more tons and to move them faster.

If freight business had increased as it did between 1910 and 1920 and the average

the shippers as it would the well and widely known ultimate consumer—who pays for everything anyhow because he is all of us.

I just said that the consumer pays for everything. That's a mistake. Consumers don't pay for improvements of the sort that railroads are making and can continue to make if they can be financed. Improvements of that sort pay for themselves.

With eighty freight cars behind, a New York Central road engine trundles up the east bank of the Hudson to the draw bridge at Albany. There, if the draw is closed, the train is cut into sections, two engines are put on each and they are sent puffing and pulling up the 8 mile long grade to Karner. If the draw happens to be open (which it is about forty times a day during the navigation season), the freight trains must wait a while. All of which wastes a lot of time and costs somebody a lot of money, which will be saved when the New York Central finishes spending \$20,000,000 on its Castleton high level bridge and cut-off.

A year ago, nearly 400 trains a month had to stop to open and close a switch at the end of a certain stretch of double track on the Nashville, Chattanooga & St. Louis. A distant switch control was recently installed. Now the trains pass through without stopping. Trains standing still cost about twenty cents a minute, so a saving of 740 hours of standing still each year means quite a tidy bit.

These two instances, one large and one small, are given to show the sort of expenditures that are being made to increase track capacity. Track capacity, and especially bridge and yard capacity, has been for some years the most severe limiting factor in the ability of the railroads to handle business efficiently. New tracks and bridges take a long time to build, nor can they be bought and paid for on the installment plan as are engines and cars. In spite of financial and engineering difficulties tracks must be improved if freight trains are to haul more tonnage and haul it faster. The cost is tremen-

dous, but the possible savings are commensurate with the heavy expenditures involved.

Within the past twelve years, the Illinois Central has handled a 94 per cent increase in tonnage with an increase of but 5 per cent in train miles, resulting in a saving of more than \$20,000,000 annually in transportation costs. One reason for this saving has been the expenditure of some \$225,000,000 in improved facilities. Even more can be spent to advantage, however. There is a single track bridge, two miles long, across the Ohio River at Cairo. Delays in getting trains across it cost a lot of time and money—which will be saved when the railroad has spent \$16,000,000 in building a shorter, straighter and flatter line to cross the river on the new high-level, double-track bridge at Metropolis, Illinois, built by the Burlington and the Nashville, Chattanooga and St. Louis some years ago and not now used to capacity.

The Southern Pacific has authorized the spending of \$18,000,000 for a cut-off of 118 miles in southern Oregon, designed to get freight trains over the Siskiyou Mountains on grades less severe than those of the present line. The New York Central and the Canadian Pacific have jointly undertaken the building of a new cut-off line, linking up the various lines about the important Buffalo gateway and involving a new bridge across the Niagara River. The Michigan Central is replacing its cantilever bridge below Niagara Falls, a famous structure of forty years ago, with a double-track arch bridge spanning the gorge.

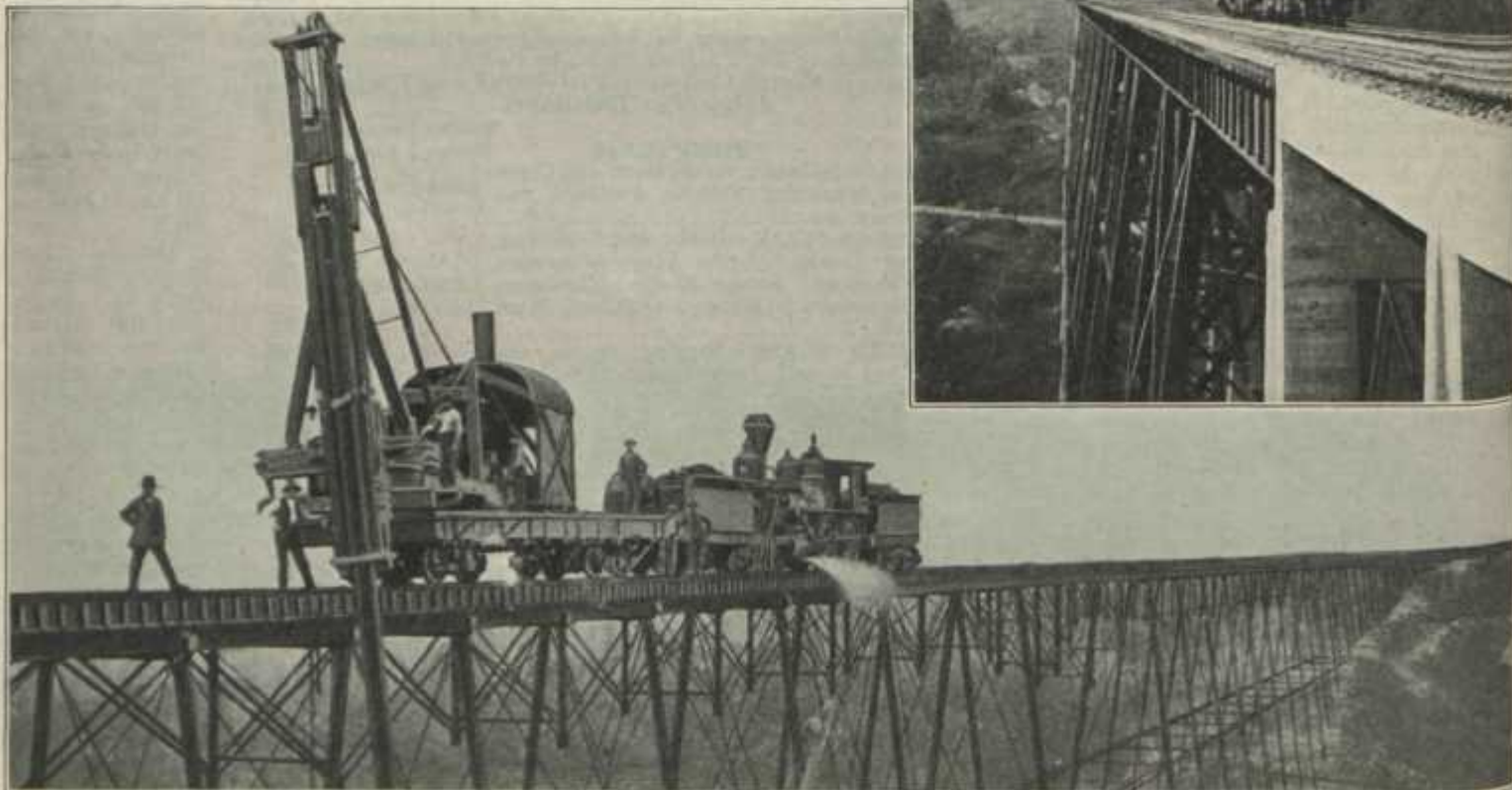
At Great Rigolets and at Chef Menteur, tidal passes on the Louisville & Nashville's amphibious Gulf Coast line, bridges are called on, every year or so, to stand up against

a Gulf hurricane, piling up the water some ten feet and blowing so hard that no man has ever stayed on the bridges to measure the wind velocity. Some \$5,000,000 are going into new bridges designed to meet the peculiar needs of these situations.

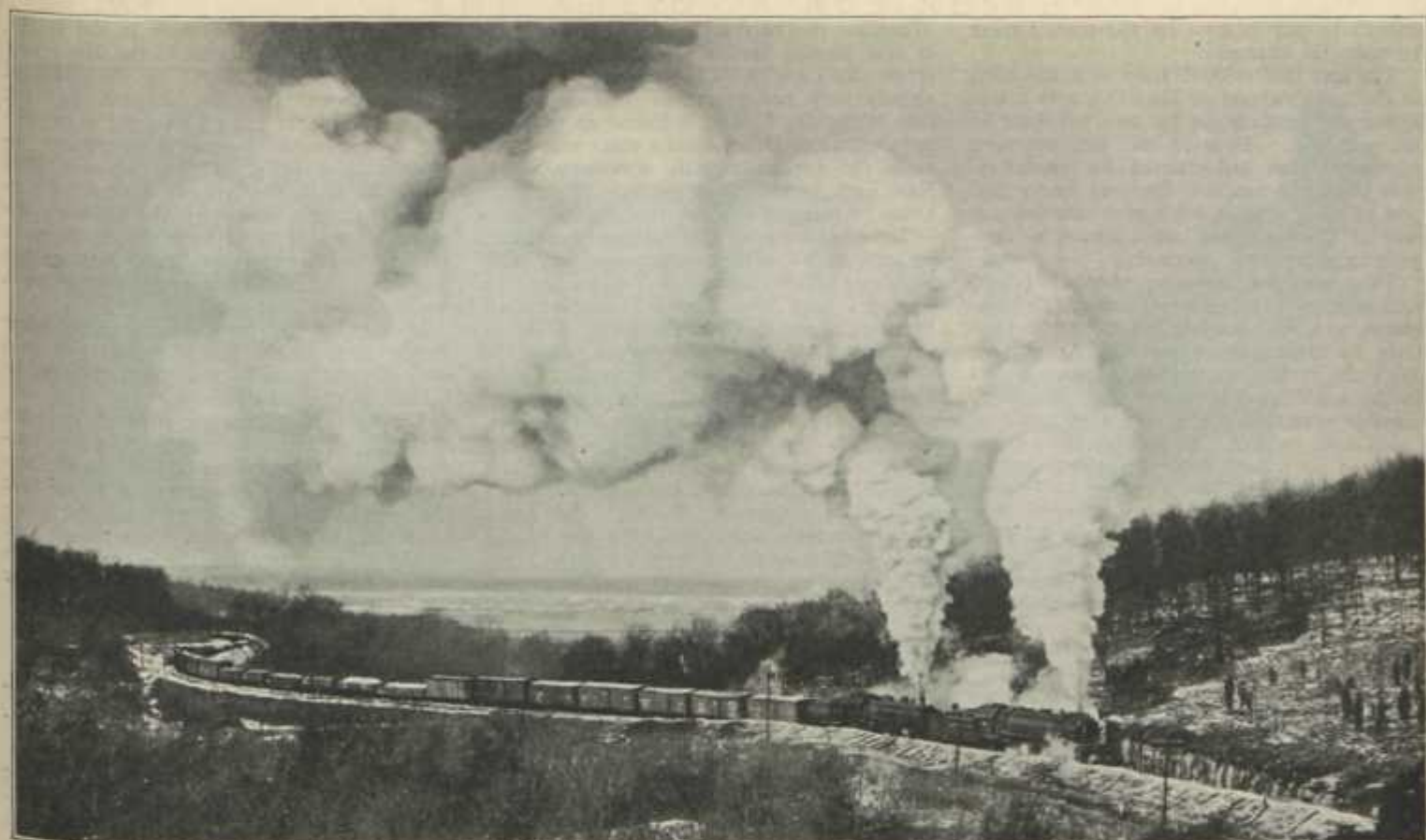
It is not always necessary to build new bridges when old ones have outlived their usefulness. Single-track bridges of the Southern Railway at Cincinnati and of the Norfolk & Western at Kenova, West Virginia, have been replaced with double-track bridges laid on the piers already in the river and without interrupting traffic while the work was going on.

Double-tracking on a large scale is being carried on by the Santa Fe in New Mexico, Arizona and California, and by the Louisville & Nashville in the Eastern Kentucky coal fields. Where traffic and finances justify double-track, which increases track capacity not twice but about five times, it is regarded as one of a railroad's best money-savers.

Great improvements, calling for huge expenditures, are not the only ways to get increased track and yard capacity, however. Thousands of smaller changes are possible—



Then and now in railroad bridges—below, a span built in 1884 on the main line of the Nashville, Chattanooga & St. Louis; above, the modern structure that replaced it, obviously more efficient but, what the public generally overlooks, more expensive.



This engine helper service is expensive but imperative in getting freight across the Cumberland Mountains. Grade construction work, costly to complete, would soon pay for itself, however, by releasing these extra locomotives

such, for instance, as that of the Norfolk & Western, which by flood-lighting fifteen of its yards has made it possible for switching crews to do more work at night and do it better and more safely; or that of the N., C. & St. L., which was able to add 250 tons to the load of southbound freight trains on a whole division by merely slicing the tops off two little ridges in Tennessee.

Economy may result, too, from improvement in existing tracks. Experience of the Lehigh Valley in the use of rail weighing 136 pounds to the yard indicates that there are real economies in the use of such enormously heavy rail. The same thing applies to treated ties, now widely used. While they cost more at first, they undoubtedly save money in maintenance expenses. Increased strength of track is necessary to match the increase in weight of locomotives, and increased weight is made necessary by the demands for increased power to handle more tons in each train.

Increase in locomotive size, however, is but one factor in the increase of their power. Improvements in design have been made since the earliest days, but the steam locomotive today is still a long way from the limit of its development. Experimental three-cylinder locomotives on the New York Central and the Lehigh Valley are giving a good account of themselves, while the variety of devices to improve steaming qualities, increase power and decrease fuel consumption is bewildering to the layman. The modern locomotive, with all manner of pipes and pumps and tanks and moving parts on its outside, doesn't even look like the locomotive of just a few years back.

Some indication of the things that may be expected from locomotive improvement within the next ten years may be gathered from the accomplishments of the steam locomotive within the past year. Between Altoona and Pittsburgh, for instance, the Pennsylvania has

perhaps the greatest traffic density in America. Over this stretch of 114 miles of mountain road, 6,700 cars of freight are moved daily. Even with four tracks it was congested. Relief was sought in the development of a more powerful locomotive which could handle the same business with fewer trains. Four hundred and seventy-five of them were put to work on the mountain lines and have justified themselves by the results.

Not only may locomotives themselves be improved, but the use of them may be made more intensive. They're not quite the delicate pieces of mechanism they were long supposed to be and pampered accordingly. Their more intensive use, however, frequently requires better engine terminals, as well as better engines, and both call for capital investment.

With improvement along these lines has come a striking increase in the length of locomotive runs. A few years ago most runs were about 100 miles, very few as long as 200. Today, in passenger service, oil-burning engines are running from Los Angeles to El Paso, more than 800 miles on the Southern Pacific, while the Missouri-Kansas-Texas has even longer continuous runs from New Franklin, Mo., to San Antonio, Texas. The Union Pacific runs coal-burning engines from Denver to Ogden, Utah, nearly 600 miles. Among other roads that have very much extended their passenger or freight runs, or both, are the Baltimore & Ohio, the New York Central, the N., C. & St. L., the Frisco, the Great Northern, the Burlington, the Kansas City Southern, the Santa Fe, the International-Great Northern and the Norfolk & Western.

This practice has meant real savings by reducing the number of times the engines must be cooled and heated, by saving the fuel lost in knocking out and rebuilding fires at the end of each short run, and especially by getting more mileage out of each locomotive

each month—which is just the same as having more locomotives without having to buy and pay for them.

Lengthening the runs between San Francisco and Los Angeles and between Ogden and Sparks, Nevada, for instance, released nineteen Southern Pacific passenger engines for other service. The Union Pacific was enabled to reduce the number of passenger engines used between Council Bluffs, Iowa, and Ogden by one-fourth when it began using only two engines on this run of 1,086 miles. The N., C. & St. L. saved eight passenger and five freight engines by running all through trains from Nashville to Atlanta without change of engines at Chattanooga. The Norfolk & Western released ten out of eighteen passenger engines assigned to the work when it extended its run from Roanoke, Virginia, to Portsmouth, Ohio; while the New York Central saved five out of twenty-one engines assigned to service between Harmon and Syracuse, New York, when it began to run them through the intermediate terminal at Albany.

In any discussion of railroad improvements of the next few years electrification is always to the fore. Even in territory where water power is available, it has not been adopted as rapidly as many people anticipated, not because it hasn't certain advantages, but because of the capital cost of the electric installation.

This question of capital cost must always be considered in making railroad improvements. There are branch lines where the grades and curves are such that it costs more to run a train than the train can possibly take in. The more business they do the more money they lose, and yet they must keep on doing business. By radical reconstruction or by electrification, the train load on such branches might be increased to a point where it would pay for the cost of operating the train, but there is no reasonable prospect that the traffic would be large

enough to pay interest on the money spent to make the changes.

The fact that electrification of a line costs in the neighborhood of \$40,000 a mile makes it out of the question for any but lines of heavy traffic. Even if all the operating economies that are claimed for electrification should be realized, the very heavy first cost of installation is one reason why the new way of moving trains hasn't caused a stampede among railway operators.

There are lines, however, where electrification offers promise. One of them is the Virginian, which is spending \$15,000,000 to electrify its main route across the Alleghenies. With the most powerful Mallet locomotives in the world, coal is hauled over the mountains in trains of 5,500 tons at a speed of seven miles an hour. Electric locomotives are expected to make double the speed and to handle trains of 6,000 tons.

This project parallels, in a general way, the electrification of the Norfolk & Western over the Elkhorn grade, coming out of the Pocahontas coal fields. This project, in operation for several years, is to be extended.

These are the only main line electrifications in coal burning territory made solely to increase the capacity of the line to handle an already very heavy traffic. The electrification of the D., T. & I. is linked up with the powerplants of Henry Ford's other industries, while the various electric operations about New York were initiated because of the necessity of entering the city through tunnels.

The most famous of all electric operations, perhaps, is that of the Chicago, Milwaukee & St. Paul, which crosses the Rockies and the Cascades with two stretches of electrified line, totalling more than 600 miles. The current is produced by water power, while the motors of the locomotives, reversed as generators, hold back the trains on the long descending slopes of the mountains and feed the current so generated back into the trolley wires. From an operating standpoint, this seems to have been very successful, but from a financial standpoint, building the Puget Sound extension and electrifying has been a heavy burden so far on the St. Paul.

All these improvements in plant and structures and machines and tools, and thousands

of others that must be made in the future, require capital. According to the first report of the Research Council of the National Transportation Institute, headed by Dr. David Friday, the capital involved in producing a unit of output of manufactures increased from \$1.00 to \$2.17 between 1900 and 1920, while the invested capital per ton-mile of freight moved by the railroads decreased from \$1.00 to 66 cents in the same period. As investment in transportation has increased, the efficient use of the investment has more than kept pace.

If we are to have permanently lower freight rates in the United States combined with efficient transportation capital must be found and induced to invest.

The history of transportation shows what the result of such investment will be on railroad costs. Competition and the public regulatory bodies may be counted on to see that the shipper and the consumer get the benefit of the reductions. But if the money that it will take to pay for these improvements cannot be had, the consumer will pay for them every year—and then won't get them.

A Look Ahead from the Mid-Year Point

RETAIL trade has failed to expand (With the Map of the Nation's Business)

as expected, industry has shown further recessions, and crops—retarded by low temperatures and extremes of excessive moisture or a lack of same—are behind normal. The weather has seemed to come in for most blame, but the widening circle of unemployment in factories and mines has involved increased tension.

Political maneuvers, the failure of some expected legislation and the passage of other measures, has had credit for some of the indisposition to buy freely. Finally, hand-to-mouth buying, which has been complained of for nine months in some lines such as cotton goods but for less than that number of weeks in others such as steel, lumber and other heavy staples, has tended to transfer the burden of carrying goods from the wide circle of the country's secondary markets and retail dealers to the comparatively small body of manufacturers and wholesalers.

May and early June trade shows a reduction from close to peak points of a year ago, retail trade probably showing little or no decrease as a whole, whereas, wholesale trade and manufacture have dropped sharply, but as earlier months were better than recent ones, the year's measures of movement to date in numerous cases show that 1924 so far has set up new high records exceeding the concededly excellent first few months of 1923.

Demonstration of the mobility of American industry under pressure of circumstances is seen in some of the sharpest readjustments of production to approximate demand that the country has ever witnessed.

About the most drastic cuts in output have occurred in the soft coal and in the iron and steel industries, which went from approximately full capacity to half time between March and May.

The automobile industry has also seen a very sharp reduction and even building, which apparently still has a record year's program before it, has slowed down as regards new

IN REVIEWING the first six months of 1924 business, one conclusion is patent: Conditions could be better and they could have been worse.

Three factors—inclement weather, the Presidential year bugaboo and the failure of Congress to enact promised legislation—largely have had an untoward effect, but offsetting these and far outshining them is the proved ability of American industry and trade to meet and master conditions as they come, by prompt readjustment and to carry on successfully.

By FRANK GREENE

Managing Editor, "Bradstreet's"

business, with resulting reductions of lumber buying and prices.

Weather conditions have been partially operative in the building trades. Even in agricultural affairs there is a sharp contrast visible between the good condition of the fall-sown crops such as winter wheat as compared with the spring-planted grains, corn and oats and the south's great staple cotton.

It is perhaps well to note that while the month of May showed most lines receding, automobiles, iron and steel, coal, lumber, cotton, woolen, silk and shoe manufacturing and car loading especially registering reductions, retail trade expanded in some lines while declining in others and New York clearings also gained while the rest of the country outside of the south showed losses from a year ago.

For five months the list of reductions is smaller, iron and steel, coal and cotton goods showing the sharpest declines while retail trade, clearings and automobile output and lumber cuts show increases over last year. In retail trade, chain stores led in proportion of gain, department stores came next and mail-order lines brought up the rear with a small gain almost a direct reverse of conditions a year ago by the way. It is doubtful if small retailers, incapable of advertising heavily as

well as of making such sharp readjustments, did as

well as did the department stores, the chains or the mail-order concerns.

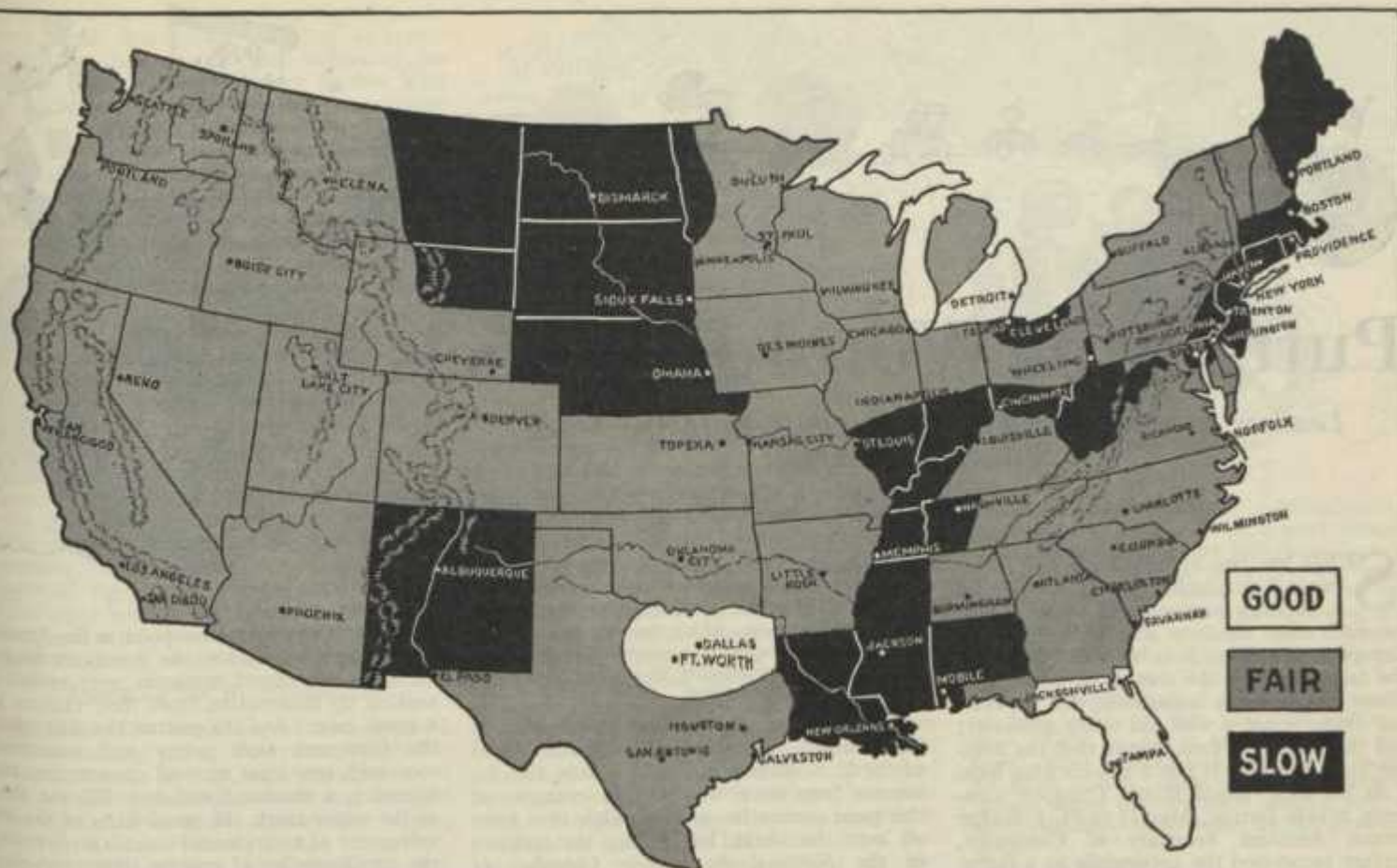
With the above conditions ruling and with the crop outlook not very clearly defined the trend has been toward an even more drab trade map than was presented last month. The area in white has tended to decrease, that in black has gained and although there are reports of improvement over a year ago in some Rocky Mountain states the general trend has been toward a condition which is somewhat between fair and slow.

In summarizing the causes assigned for the slowing down visible in many lines and sections of the country, the weather, the approach of the political campaign, the failure of some, not all the expected tax legislation and last but not least, hand-to-mouth buying have all been pilloried.

The weather, of course, has been hurtful but this was beyond help anyway. The failure of some legislation and the imposition of other measures have really not bulked so large in business perhaps, as that they have exasperated many people. Presidential years usually do not see much new legislation enacted.

Caution in buying has perhaps been the greatest bar to active trade and the well known tendency of Americans to move in a mass toward or away from any particular thing has received new illustration this year. Mob psychology is one term that might be used to describe it although our able Secretary of Commerce probably does just as well when he intimates that we move by fits and starts and are now having a "fit."

All of this hand-to-mouth buying talk and practice is after all more of an effect than a cause. Back of the general disinclination to buy heavily is the thrifty idea that no one wishes to be landed with the goods, when, if or as, costs of everything are high as they



The Business Map of Last Month

The Map of a Year Ago



admittedly are in almost every line at present. The history of the years after great wars is construed to show that high prices tend to recede slowly, this despite artificial measures, such for instance as legislation or union wage scales, to keep them up. Much was heard last year of the stabilization of commodity prices when the fact is that there never is actual stabilization except possibly in war time, prices responding like the tides to ebb and flow movements, the gradual seepage of strength in many lines in the past six months being a case in point.

Over the year the farmer's position has, generally speaking, been slightly improved, other producers having felt the strain more, and where artificial restraints have been interposed to check the downward movement the result has been, as in coal mining for instance, that the wage scale stood but the work ceased. High wages are one element in cost which will have to be examined when inevitable revisions are being made, taxes are another, extravagance in public expenditure is another

element—as is, of course, corresponding extravagance in private life.

As far as the outlook for the nearer future is concerned there do not seem many evidences of a marked change. The American is going to have his usual political sail this year and there are enough uncertainties even in this direction, and aside from possible resulting excitement, to cause people at least, to slow down a little.

Some Retarding Factors

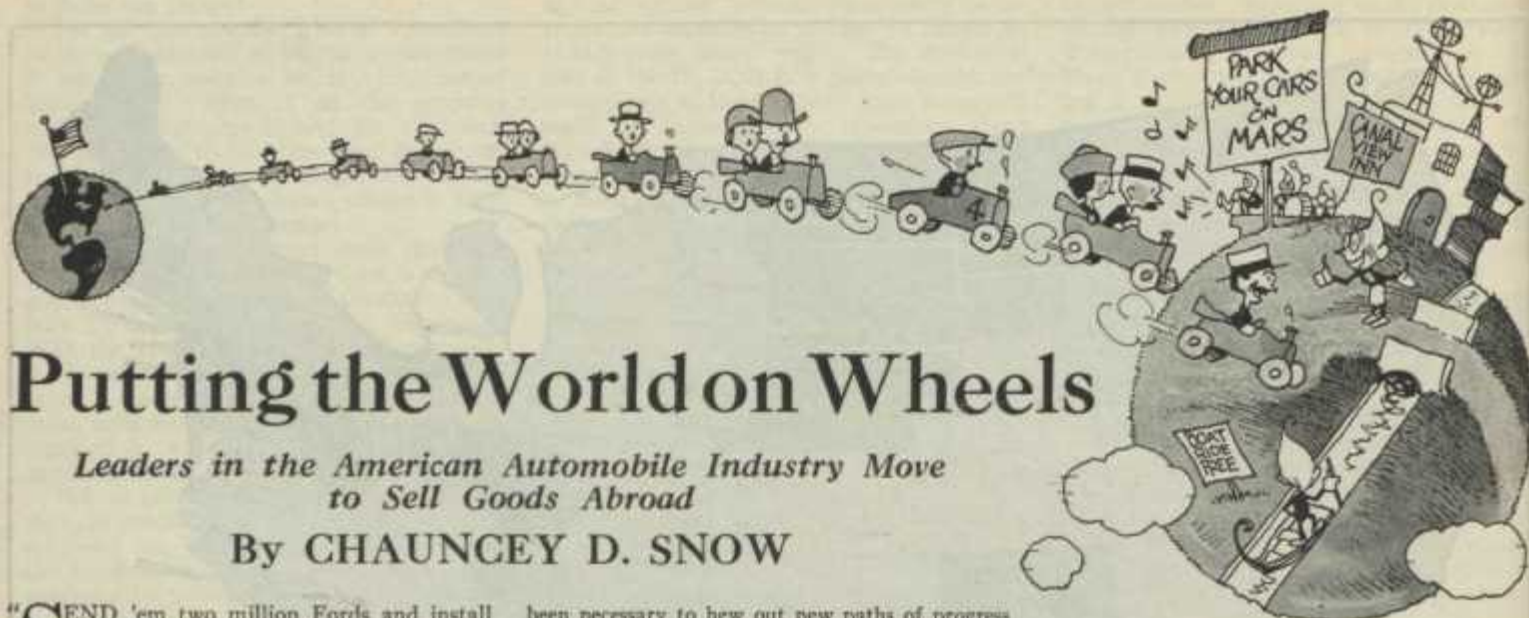
THE CROPS are late and the prospects for the corn and cotton crops are too indefinite for measurement yet. The decline of employment is a cause for caution among consumers and that a dull summer impends seems to be the thought of a great many.

On the other side of the case, if the stock market—which moves in a listless fashion, like a boat at the end of an anchor chain, now up, now down-stream—is a reliable guide for the near future, there does not seem to be any remarkable change portending. Railroad

stocks are strong while some, not all, industrials are easy. Foreign trade channels have changed, less food but more manufactured goods going abroad while imports have fallen off.

There is almost unparalleled ease of money which helps bonds but has failed to stimulate stocks which represent partnership rather than creditor interests. After a long spell of unfavorable weather, there are signs of a favorable change as the spring wanes. This can help retail and jobbing trade and crops although some spring business is probably lost. Stocks of goods are claimed to be not excessive.

There are apparently no great events to be expected for a few weeks or months to come, a sort of inertia as it were, impending in trade. This may be hard for business men to bear but the political "blasts and counter blasts" will afford some mental exercise and meanwhile the needs of 112,000,000 people will have to continue to be met through the service rendered by business, as in the past.



Putting the World on Wheels

Leaders in the American Automobile Industry Move to Sell Goods Abroad

By CHAUNCEY D. SNOW

"SEND 'em two million Fords and install two million telephones"—that is Edward S. Jordan's suggestion as to the quickest and most effective way of solving the European situation. It is based, no doubt, on the fact that here the man from Maine now knows, thanks to the automobile, that the average Texan is not a wild and wooly gun-toter; and the Texan, in turn, knows that the average man in Maine is not a hay-chewing hick.

At the First World Motor Transport Congress, held in Detroit, May 21 to 24, J. Walter Drake, Assistant Secretary of Commerce, further recognized the automobile as a factor in breaking down unfriendly barriers between neighboring people:

It is not fanciful to assume that had Europe in 1914 been motorized as is America today, there would already have been an attitude of friendliness and mutual interdependence, through constant intercommunication, among the peoples living on opposite sides of national boundaries that would have made the projection or continuance of that terrible conflict less possible. The conditions of life, the standards of living and the political situation in America have lent themselves to the quick upbuilding of a vast system of modern highways and motor transport that today parallels, in magnitude and importance, rail and water transportation. In the course of adapting these facilities to its needs, the American public has learned lessons of great constructive value. They have been learned rapidly, because the adoption of motor transport has surpassed anything of the sort in its quick acceptance by modern life. In the course of this adaptation it has

been necessary to hew out new paths of progress and break down many a barrier of prejudice. Practically all of the problems, of a physical nature and otherwise, which had to be met and solved in America, will be presented in one form or another to any country in a widespread utilization of motor transport.

"It costs more to go without roads than to build them"—Thomas H. MacDonald, Chief of the U. S. Bureau of Public Roads, told his hearers from some fifty foreign countries at this great convention of automobile men from all over the world, held under the auspices of the National Automobile Chamber of Commerce. He also pointed out that the most durable roadway is not the most economical for use in a national improvement program. And J. D. Mooney, president of the General Motors Export Corporation, pointed out that in a country of inadequate highway development, it is more important to connect up the chief centers of population, commerce and industry by passable highways than it is to spend all of the highway appropriation funds in building a few stretches of fine hard-surfaced roads in and around one or more chief cities.

But this congress was not merely a place where the leaders in the American automotive field told the foreigners all about it. The foreigners, more than 150 delegates, had a great deal to say themselves. While there

may not be any saturation point in the American automobile market, the American manufacturers and export managers were certainly soaking up information from their visitors at a great rate. And, to pursue the metaphor, the foreigners were pretty well saturated, too—with new ideas on road construction and financing, a thousand and one different uses of the motor truck, the possibilities of the development of an organized taxicab service, and the supplementing of existing steam and electric transport systems with motor busses.

G. Widmer of the Argentine Automobile Club and some of his colleagues told about the conditions in that country. They talked not only about tax and road conditions, but also told their American friends a few things about automobile merchandising that should prove of value. Victor Beveridge, of England, well known in the automobile publication world, expressed the opinion that foreign manufacturers were wasting a good deal of money in the Argentine field by stressing the hill-climbing power of their machines, whereas the chief body of consumers in Argentina, at Buenos Aires, were not interested in the slightest in negotiating steep grades.

A delegate from Jamaica, G. N. Penso, presented the case for the automobile as a civilizing force in toning up the life of an island people. He told how in the little island whence rum formerly came and where ginger is still a lawful product for export, the American automobiles have improved social conditions, speeded up business and added generally to the standard of living. He explained how through motor transport the physicians were getting around the country in a manner hitherto impossible, with a consequent improvement in public health; how the banks had been able to establish branches in places at some distance, since the motor car made it possible to convey funds into Kingston with speed and safety; how the clergymen were widening the sphere of their activities; how the administration of justice had been speeded up, because the judges could hold court as needed in remote places at short notice; how perishable products from the plantations are brought to market without loss. Jamaica, apparently, is a living example of everything that the most optimistic motor enthusiast has ever claimed for the automobile.

Then there was W. Buner, from Switzerland, who pointed out the combination of circumstances that had left his progressive



country to date with less than 30,000 motor cars of all descriptions. Nature, as represented by the mountains and valleys of the Alpine republic, puts the very hardest kind of a strain on an automobile, and if anywhere there is need for a quality product to do everyday service, it is there. Switzerland, also, depends greatly on tourist traffic; and many visitors, like the natives, use the highways largely for walking. Motor traffic is still prohibited throughout the republic on Sunday afternoon, and it was only recently that the ban was removed from motor traffic of any description at any time in one of the cantons.

One of the delegates from Italy, Signor Stroppa Quaglia, brought inspiration from the land of Mussolini by describing the plans for the world's most magnificent motor boulevard, extending from Milan to the Italian lake region. Motoring in Italy is still so expensive that the sporting appeal is still the determining feature in the purchase of a car.

A group of engineering students from the land of King Tut told how the Egyptian Government, looking forward to the development of Egypt by the automobile, had sent them over here to put in three full years of work and study in connection with the automotive industry of the United States.

Australia the Best Customer

AUSTRALIA—here's a word to conjure with in talking to an American automobile manufacturer! In 1923, the island continent at the far end of the Indian Ocean was our best customer, bar none, for automobiles—taking over 6,000 cars valued at less than \$500, nearly 9,000 at from \$500 to \$800, over 10,000 from \$800 to \$2,000, and 356 valued in excess of \$2,000. No wonder everybody lent an attentive ear when Keith Duncan of the Chamber of Motor Industries of South Australia had anything to say!

Furthermore, Donald Cameron of New Zealand astonished his audience nearly as much by stating that the New Zealand Islands with some 50,000 motor cars, ranked twelfth among the nations of the world in point of automobile ownership, as he did when he informed the congress that the distance from Australia to New Zealand is not 12 miles but 1,200.

Johannes Buschmann, of the German Automobile Dealers Association, told about conditions in Germany. In all the Republican Reich, there are not more than 170,000 automobiles and trucks. The motor car is still regarded as a luxury there, the



sent the largest delegation of any of the foreign countries to attend this World Motor Transport Congress:

there were in attendance representatives of all lines of the automotive industry and trade to study the American industry, American trade practices, and the regulation of automobile traffic in our cities. The Germans are anticipating a rapid and extensive increase of automotive transport in the near future.

F. O. Goode, from the interior of Brazil, a delegate representing the American Chamber of Commerce at Sao Paulo, called the attention of the delegates to the desirability of building feeder highways in the undeveloped sections concurrently with railroad construction. He predicted an enormous growth in automobile trucking in Brazil and stated that automotive transportation, linking up the neighboring districts, had already proved to be a powerful factor in the astonishing growth of the great city of Sao Paulo.

A. V. Gulliver, of South Africa, described the manner in which credit sales of automobiles are financed in his part of the world, the dealers, unable to interest the banks in forming automobile finance corporations, getting some help from the insurance companies through the underwriting of credit risks.

H. Weinberger of the Austrian Automobile Manufacturers Association said that during and after the war the motor trucks were run largely on iron tires because of the lack of rubber, and that a great deal of highway had been destroyed as a result.

The truck, the bus, and the highway came in for particular attention throughout this convention, T. R. Dahl, secretary of the White Company, reading a paper on the position of the motor truck in transportation. He said:

Two years ago the greatest food crop ever raised in Berrien County, Michigan, valued at from eight to ten million dollars, rotted on the ground in spite of the fact that it was only four hours' distance from Chicago, one of the greatest consuming centers in the world. Last summer farmers within a few miles of Cleveland were dumping fresh milk into the ditches—one farmer actually throwing away 40 gallons daily—because they had no way to get it to market. On

the other hand, the citizens of Milwaukee two years ago were given a 2-cent-a-quart reduction in the price of milk because milk companies in the city had motorized their delivery system, because trucks were making ten miles to every two miles of horse-drawn wagons, because the cost of delivering a can of milk by motor truck was only 9 cents as against 27 cents by horse-drawn wagons.

Out in the Central West, hogs are now being trucked to market instead of being driven, and it has been found that they have been walking off more weight in dollars than it cost to carry them. Even between such close points as East St. Louis and St. Louis, where 1,000 hogs are trucked across the city every working day, the savings amount to 43 cents on 100 pounds of stock.

Little Red School in Fadeout

MYRON E. FORBES, President of the Pierce-Arrow Motor Car Company, showed how the motor bus has driven the little red schoolhouse out:

In the transportation of children to consolidated schools in country areas, the figures of 1923 show an economic use of the motor bus, which perhaps has not received as much consideration as it should. Last year 289,000 children were transported to 13,037 consolidated schools. Because of the flexibility of the motor bus, country school districts can now be combined and a modern school building erected, offering an education comparable in every way with that given in large cities and towns. The use of the bus for this type of work is resulting in the gradual elimination of the old district schoolhouse.

A. J. Brosseau said that to the man who comes from a nation where the financial situation may not permit the issuance of highway bonds at home, or of increased taxes, two alternatives are possible:

The first is the construction and maintenance of toll highways by private capital, a method which usually results in the state finally taking over the road but which meanwhile has obvious disadvantages.

The second is a suggestion that comes from the full appreciation we have in this country of the difficulties which confront others in providing themselves with highway transport facilities. We know of the far-reaching benefits of motor transportation and we believe in its value, as I have already said, not alone from the standpoint of domestic welfare, but from that of international relations as well. We are ready to lend our efforts toward obtaining the practical results we believe will come out of sound highway transportation extension, and to that end we stand ready to give sympathetic consideration to any sound proposals coming to us from other lands.

All told, the Americans at the World Motor Transport Congress improved their knowl-



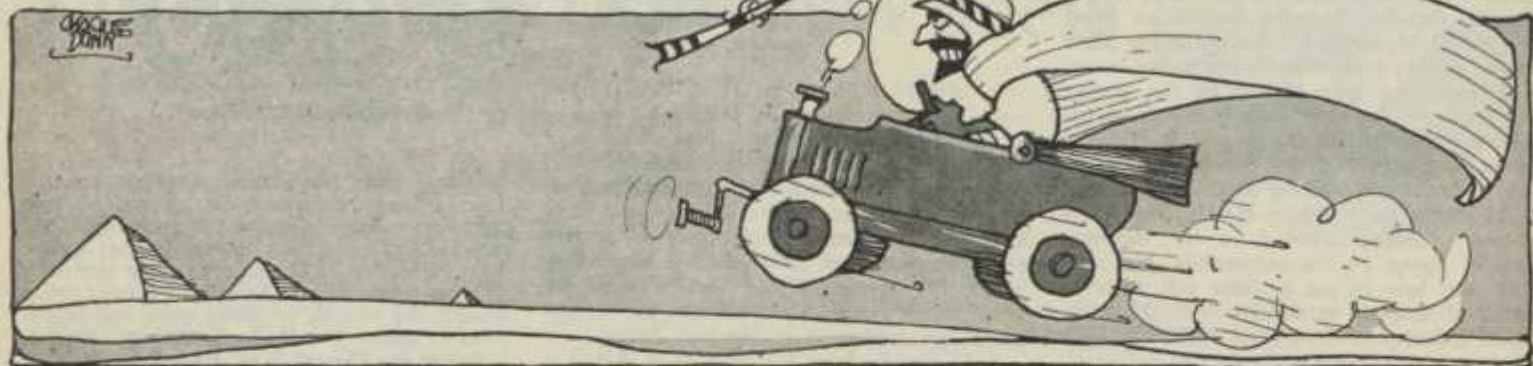
taxes being so high that a Ford touring car sells for between \$1,000 and \$1,100. Probably, too, the high development of other forms of transportation has been another of the retarding factors in the growth of automobile transport in Germany. However, as Mr. Buschmann put it, "Germany is not rich enough to be without motor cars." Germany

edge of geography and absorbed (even though the word is hateful to the automobile man) a truck-load of information about road conditions, tax conditions, credit conditions, sales conditions, and advertising conditions in foreign lands. Meantime the foreign delegates got an insight into American large-scale production methods—nowhere better exemplified than in the automobile industry—and a new conception of road construction and maintenance, of truck and bus service, and of traffic regulation. The increased efficiency as well as the increased comfort and convenience of

the motorized nation that rides on rubber was firmly fixed in the minds of all. Foreign dealers saw that the American plants really looked just like the pictures of them; that the manufacturers were actually just ordinary human beings, even though they are working wonders with gasoline motors. The delegates from countries that badly need highway development can take home with them a considerable measure of hope from the statement made by Mr. Bros-

seau that foreign government bond issues for highway construction will find a market in the United States.

Few American industries have served as host to the men in their line of business from all parts of the world. Certain it is that this first World Motor Transport Congress will not be the last, and that other industries can well afford to scrutinize and follow the example set by the N. A. C. C., in its individual field.



City Manager Plan Put to Million Test

By ROY D. PINKERTON

LIKE every other great public movement, promising needful reform but unmeliorated by years of practical application, the city manager plan of government has its opponents, actuated by motives which they sincerely believe are just as sound and unselfish as those of the staunchest advocates.

In any discussion of the city manager plan, inaugurated sixteen years ago in Staunton, Va., and now in force in more than 300 towns and cities of the United States, you will hear this objection, among others, raised:

"It won't work in the great metropolis with a mass of municipal problems diversified and complicated by the density and volume of its population."

Up until very recently, the defenders of the plan had nothing but a theoretical defense for such a charge. In fact, what testimony they had was damaging. Akron, Ohio, whose 208,000 population gave it first place on the city manager plan roll, had deserted the ranks, and the largest cities of which they could boast were Norfolk, Va., and Dayton, Ohio, and they are only in the 150,000 class.

Plan in Force Six Months

BUT NOW we shall soon see if the foregoing opinion is correct. Cleveland, the fifth largest city, with a population of upwards 900,000, put into effect a city manager charter the first of the year, and now, after six months of organization and preliminary planning, is about to initiate projects for municipal betterment that, when completed, will prove or disprove the disputed feasibility of the plan when applied to cities of approximate and greater size.

Cleveland, the first of the large cities of the country to exchange its mayor for a city manager, is attempting to handle its business and to meet and solve its problems in much the same efficient and economical manner that has made the big and successful industrial corporations of the United States famous

throughout the world. The Cleveland charter, roughly summarized, provides a legislative, policy-formulating council of twenty-five members—in other words, the directors—elected by the people, or stockholders. The directors, in turn, are empowered to select and elect an expert administrator, corresponding to the general manager of an industrial corporation, and to pay him whatever salary they see fit. Upon his election, the city manager assumes all business responsibilities and names his own department heads and, with their aid, the other principal officials.

Cleveland, in other words, has banished a ranking municipal official with a title—the mayor—which for years has connoted politics, inefficiency, ceremony, handshaking, hot air and, at times, graft. It has substituted, as the head of municipal affairs, a city manager—a title that suggests business-like procedure and modern methods. The people, expecting greater achievements under the city manager than when the mayor was in power, are more anxious and willing to help him. Thus the primary effect is psychological.

In selecting William R. Hopkins as the first city manager, the Cleveland directorate apparently made a wise, logical and happy choice. Born in Johnstown, Pa., of a Welsh stock that produced many preachers, miners and rolling mill workers, he went into the steel plant at 12, then into the office, and, studying nights, completed courses at a Cleveland academy, the Western Reserve University, and the University of Chicago Law School. While in college, he specialized in problems peculiar to municipal and state government and, as a student, wrote a monograph on the street car system that attracted such favorable attention he was elected a councilman that he might take part in a franchise renewal fight that then was raging.

Mr. Hopkins, after graduation, became

actively and financially interested in several industrial and construction concerns, building the Cleveland Belt Line. He also helped plan, in Tom Johnson's day, a subway system that he hoped then to build as a private enterprise, already authorized by popular vote, but which, as circumstances ordered, he is now to construct as a public undertaking.

A blend of the student and the highly practical business executive, Mr. Hopkins wears the Phi Beta Kappa key of scholarship and the Know-the-Ropes emblem of getting big things done.

In a city of nearly a million inhabitants, like Cleveland, the mere routine operations constitute a gigantic task, but Mr. Hopkins has these well in hand and now is devoting the major portion of his time and energy to a developing program which is great and pressing.

First, there is transportation; all large, growing cities know that problem. Cleveland in 1906 solved it very satisfactorily for a decade and a half through what is known as the Tayler grant.

Subway for Rapid Transit

UNDER this franchise, the Cleveland Railway Company furnishes whatever service the city orders at cost plus 6 per cent interest on its investment. The fares rise and fall automatically as the cost fluctuates. They have been as low as three cents; at present they are six.

But the abounding industrial development that came with the war and stayed and waxed fat with peace has spread the city out to a point where the surface car system is inadequate. Mr. Hopkins proposes to supplement it with rapid transit. To begin with he will shortly ask the people to authorize a subway running 5 miles east and 5 miles west from Public Square, and from those termini the operation of surface for 3 miles beyond. By this means, he says, a 30-minute service

can be given all the territory within an 8 mile radius. At present, the surface lines give a 30-minute service only inside a five-mile radius from the square. The system will cost Cleveland 30 or 35 millions, the operating company furnishing the equipment. Busses also will be used to supplement the subway and surface system, all under one management.

Gen. Moses Cleaveland, the long-headed Connecticut business man who laid out the city in 1796, made Superior Avenue a 132-foot thoroughfare all the way from Public Square to East 55th Street. Various other radial and important streets he made 99 feet wide. You might imagine he foresaw the automobile traffic of today! But the real estate promoters and city councilmen of 40, 50, 70 and 80 years later did not share his foresight and good sense. When they came to extend these streets, they narrowed them down into bottlenecks. So another of the tasks Mr. Hopkins now faces is the costly but essential undertaking of cutting through wide, adequate outlets and the creation of new ones.

Cleveland's lake front has long been a dumping ground and an eyesore. Taking a leaf from Chicago's experience, the city is now to clean, rearrange and beautify it. Parks, playfields and automobile storage

space will be provided and industry be benefited by this development.

Tom Johnson, when mayor of Cleveland, had many dreams of municipal beauty and utility. Among the noblest of them was the Mall, a great central area to be occupied by the principal public buildings. Already \$35,000,000 has been spent in materializing this vision, but the district is yet, in part, as ramshackle and unlovely as some of the area near the Capitol in Washington, to cite a parallel.

To Clean Cleveland's Front Yard

MR. HOPKINS has started to clean up this municipal front yard and is now asking the city to proceed with a building program that calls for \$50,000,000 more of expenditure in the early future.

A fifth big job, perhaps the most important and also the most intangible and difficult of all on which he has entered, is to clean Cleveland's air. Now it is smoky and dirty to a degree that rivals, if it does not surpass, Pittsburgh's. Building materials deteriorate under the corrosive influence of the chemicals carried in the atmosphere to such an extent that Cleveland owners spend millions in excess of reasonable depreciation. An army of

window washers and cleaners work ceaselessly in a continually losing battle with the grime. Clothing, furniture, furnishings, goods of every sort are damaged by the insidious and ever-present enemy.

And the mental and moral effect of this unnecessary dirt, Mr. Hopkins contends, is the greatest cost of all, for no person, no population, he argues, can maintain its self-respect to the full and its morale, efficiency and happiness when needlessly dirty. To combat this pollution he proposes to go to the source. Coals that in burning pour forth sooty clouds are on his blacklist. He purposes to bring about in Cleveland an era of gas, coke and electricity for heating and power, and to show God's sunshine the "Welcome" mat every day in the year.

Obviously, this only suggests, without beginning to catalog, the big business problems that confront a man when he becomes the business manager of a city, but if the five major projects that the first city manager of Cleveland has outlined bear their promised fruit, their achievement will go a long way towards proving that the city manager plan is practical and wise for Detroit, Philadelphia and San Francisco; yes, even for such complex social puzzles as Chicago and New York.

Don't Blame Congress—Blame Yourself

By GUY E. TRIPP

Chairman of the Board, Westinghouse Electric & Mfg. Co.

IT IS the fashion these days to say hard things about Congress. President Coolidge has laid down what is generally regarded as a sensible and desirable program, but Congress appears determined to legislate—insofar as it consents to legislate at all—in exactly opposite directions. Hence we hear from high places such comments as "the worst thing we have at the present time is our American Congress" and "American history will be searched in vain for any similar degrading exhibition."

The Senate is especially a target for remarks of this character. Under our original theory of government the House was expected to run more or less wild on occasion, but the Senate was to be a bulwark of conservatism. But the Senate is unfortunately showing less of restraint than the House at its worst, so that much alarm is being felt in many quarters, and the Senators are being accused on all sides of the crime of playing politics.

It is, however, a little difficult to understand why "playing politics" should be regarded as a crime. Under our system of practically universal suffrage the source of governmental power lies with the mass of the people. Majorities elect both Representatives and Senators—the "conservatism insurance" for Senators carefully devised by the framers of the Constitution having been destroyed by the popular election amendment—and it is both natural and right that those elected should act in the way most pleasing to their electors. This is all that "playing politics" consists of, and it is an irradicable feature of every form of government.

As a matter of fact, it is becoming generally recognized that personalities in government have by no means the weight credited to them by histories. The true mainspring of political action is not the government official, but the pressure of the political power that lies behind him. It is useless to denounce our Senators personally. If the most intelligent and far-sighted men in the country could be sent to Congress tomorrow, they

would, presumably, pass some splendid legislation; but few of them would stand a chance for reelection, and their successors would promptly undo the greater part of their work.

If our legislators are not legislating properly, we must look to the electors rather than to the elected. As long as majorities oppose sensible laws and demand foolish ones, legislatures will act accordingly. The only cure for unintelligent legislation is a more intelligent electorate.

The American people are a sensible lot and can be counted upon to take the right attitude in the general run of cases that come before them for decision. There is, however, one field in which the public, not only of the United States, but of every country in the world, is sadly lacking in sound knowledge, and it is in this field—economics—that most of our absurd legislating is carried on.

There are abundant reasons why the average man should fail to think clearly about economic subjects. All economic theory is highly abstract; the terms used by economists have meanings that are very different from the same terms used in ordinary speech; and economic actions and reactions are not localized at single points where they can be readily seen and comprehended, but form long complex chains that are difficult to follow through to the end. Hence come some of the confusing economic conclusions that the things that seem best for a man turn out to be the worst for him in the long run, and vice versa.

However, economics is less difficult and far more interesting than Latin or algebra, and it is by no means impossible for the next generation to be well grounded in the subject.

We have a similar situation with regard to the laws of health. A generation ago, people generally had the most erroneous notions of how to keep well. Today, however, through

the combined efforts of the medical profession, health authorities, schools, newspapers, moving pictures, and other educational agencies, the most important facts of hygiene are well disseminated and grasped. As a result, we have conquered the great plagues; we have thrown tuberculosis out of its place as the chief cause of death; we have greatly decreased infant mortality and are well on the way toward exterminating all infectious and preventable diseases.

Next to hygiene—the science of getting the greatest physical pleasure out of life—comes, in importance to the human race, economics—the science of getting the greatest material comfort from life. If the same agencies that have educated the New York east side mothers as to the care of their babies would take the same interest in educating the workman and the farmer as to the best means of earning and spending their and the state's incomes, many of the troubles that afflict and threaten us today would vanish.

There is no reason why this could not be done. Surely, the life history of an income-tax dollar is quite as interesting as the life history of the malarial mosquito. No newspaper would today recommend the burial of a black cat in a murderer's grave at midnight as a good method of curing warts, but many do advocate economic policies that are not one whit less ridiculous.

I believe that the newspaper is the great vehicle of public education. I do not think that the press has any obligation to the public outside of giving accurate news. But, if the newspapers should decide that as part of their service to the nation they would make every effort to educate the people into correct economic thinking, I believe that we should in the fairly near future have no cause to complain about the economic follies of Congress.

[What General Tripp says is sound sense and good thinking. Now that you have read it, we invite you to turn over the page and read what George Roberts has prepared for the education of you and your employees.—THE EDITOR.]

Things to Tell Your Men

"WILL O' THE MILL" is the story of a mountain boy who lived at the edge of a narrow pass, connecting two important nations. High up among the crags where Will lived there was nothing but trees, and solitude, and the grandeur of nature. The only people he ever saw were of one kind—a steady stream of travelers, on their way through the pass—going from one nation to another.

Will often wondered where all these people went, and what they did. None of them ever came back, that he could recognize. Every day brought scores of new faces—old men and young men, women and children, traders and merchants, adventurers and soldiers—all on their way somewhere. Only Will and the mill remained.

Naturally it took great hold on the boy's imagination. He longed for the time when he, too, could visit the lowlands, and see the cities in which the people lived, and all the wonderful sights in the life below. He wanted to find out what particularly attracted them to the plains below—what they did there—and what brought so many of them through the mountain pass.

In many ways Will's situation with reference to the life of two nations, resembles that of most of us with reference to the business and industrial life of which we are a part. We live more or less near a pass in the mountains, through which flows a steady stream of goods and services. Some slight part of the stream we come into contact with. Some of the goods we make flow into it, and that which we use and enjoy we divert from it. But where the stream actually has its source, how the goods get to us and to others, and what the millions of people whom we never see do to contribute to it, is to many of us a closed book.

And because this is true we get erroneous ideas of other people's work. Not being boys, like Will, our failure to understand arouses suspicion. Especially is this true when we don't think we are getting all from life that we should. This attitude expresses itself in a general misunderstanding of production—and of who actually are producers.

Take the farmer, for example. We hear it commonly said that all the other classes of society "live" off the farmer. He, alone, is the "true producer." He "supports" everybody else.

Industrial workers often express this same feeling toward the workers in the offices, and those in so-called "white collar" jobs. It often finds expression in their attitude towards one another.

Not long ago, for example, there appeared in a leading industrial publication a letter inquiring if a tool setter, or a die repair man, or an engineer, or a pipe fitter was really a producer. "A tool setter does no productive work," this letter argued, "because production is advancing a piece one step nearer completion, and a tool setter merely sets the tool for the actual producer."

In the eyes of many persons capital, the railroads, speculators, marketing agents, the bankers, middlemen, and many others are non-

More Homespun Talks on Economics

By **GEORGE E. ROBERTS**

Vice-President, National City Bank

III—What Production Is and Who Produces

IF THE SAME agencies that have educated the nation's mothers in the care of their babies would take an equal interest in educating the workman and the farmer as to the best means of earning and spending their and the state's incomes, many of the troubles that afflict and threaten us today would vanish.

Surely the life history of an income tax dollar is quite as interesting as the life history of the malarial mosquito. No newspaper today would recommend the burial of a black cat in a murderer's grave at midnight as a cure for warts, but many do advocate economic policies that are not one whit more ridiculous.

GEN. GUY E. TRIPP

Chairman of the Board, Westinghouse Elec. & Mfg. Co.

productive. Thus we observe society like a great ball team in which the pitcher and catcher are demanding to know what the right fielder does to help the team win games. The productive nature of their own work, and of those in the infield they understand. But what the right fielder does out there next the fence to hold a place on the club and to share in the gate receipts, they can't comprehend.

It is apparent that a condition of this kind puts a serious brake on progress. It breeds jealousy, suspicion, and dissatisfaction. It destroys completely what, on a ball club, we term "team play"—a quality that is fully as essential in modern economic life as on the athletic field.

Changing the Form of Things

TO GET some simple standard by which production can be recognized, therefore, is important. In order to do so we may have to consider briefly a few general principles; the results, however, should be worth the effort.

Most people define production by saying that it consists in making some object. If you weave wool into a shirt that is production. If you forge a plow-share, or make a pair of shoes, you are a producer of those articles.

Scientists tell us, however, that it is impossible for a man to "make" anything if by that we mean adding to the supply of wholly new matter in the earth. A shirt, or a plow, or a pair of shoes, they say, comes originally from nature. It existed in the earth long before the weaver, or the blacksmith, or the shoemaker ever got hold of it. If production is considered as creating new matter then nobody is a producer—not even a farmer.

We can see, however, that even though the materials in a shirt, or a plow, or a pair of shoes have existed in the earth since the day of Adam, the weaver, and the blacksmith, and the shoemaker who convert them into articles for human use, render an important service by changing their form. They make them more suitable for human needs.

A great portion of the world's work consists

in thus changing the form of raw materials. The farmer plants seed, cultivates it, and we have grain. He has not produced new matter; all he has done is help nature change the elements present in the soil, air, and seed—so that they become fit for human food.

This act of changing the form of a product to increase its usefulness is one of the most important features of true production.

But there is a great part of the world's work that is not directly related to altering the form of anything. The oil driller who bores deep in the sand does not change the form of the oil which he finds; neither does the coal miner's work consist merely in breaking coal into usable lumps.

Both these persons render a service by bringing products from places where they cannot be used to points where they are more available for meeting human wants. Oil in the ground will not drive motor cars; coal in a mine will not operate furnaces or turn the wheels of factories. It must be lifted to

the surface and transported to points where it is needed. All this involves the services of oil men, miners, and transportation agencies. They make goods useful by changing their location—another feature of true production.

But coal and oil cannot be used by man the very minute they are lifted to the surface of the earth. We mine coal in the summer but burn much of it in the winter. Similarly oil gushes from the ground in great spurts, which must be caught and stored. The same is true of many other important products.

Wheat all comes to the market within a few weeks, yet we want bread every day of the year. Somebody must do the work required to bring together and store excess material until a time when it is wanted, and make it available then. This is done by the storage and elevator companies, by jobbers, dealers, and others engaged in marketing—by warehousemen and those who operate stock yards. They make products useful by regulating the time at which they are offered—by changing the time when they become available for use. This is another important type of production.

All the activities we have just described deal with changing the form, place and time of concrete materials and goods—things that can be felt, and seen, and handled. But how about those persons whose work does not take a material form—the doctors, the lawyers, the teachers, the architects, the journalists, and public officials. Economists class their work as productive because they produce necessary services. The doctor's work is essential to health and life; the public officials to the maintenance of security and orderly conditions. The production of services is fully as important as the production of goods.

The nature of production is made clearer when we realize that a thing is only "produced" when it has been delivered to the consumer and is ready for use by him. This being true, the work of salesmen, brokers, advertising men, and all others engaged in marketing is productive. Anybody who con-

tributes to any of the stages through which goods must pass on their way to the final user, is a producer.

We may condense all the foregoing explanation into one simple statement that defines production: it consists of any contribution, direct or indirect, to the satisfaction of human desires.

It is clear from the foregoing that the man who sharpens tools, or repairs machinery, or checks stock is just as much a producer as is the man who actually operates a machine, or uses a tool to shape the finished product. All are producers because they contribute directly or indirectly to the satisfaction of human desires. This is the test by which we determine a producer.

IV—Four Factors in Production

IF, LIKE Robinson Crusoe, one of us should be cast upon a desert island, where he should be without weapons, or tools, or clothing, or place of refuge, he would be confronted with economic problems in their simplest form. About him would be treasures of nature—fish in the seas, minerals in the rocks, animals in the forests, nourishment in the plants, soil, and herbs. But to find these things and to extract them for his own use, he would have no aid but his own eyes, teeth, and hands. Such "production" as he could carry on would be the result of two factors—land, or the resources of nature, and labor, or the strength of his own body.

For long generations in human history production was probably of this simple, elemental sort. Men lived little better than the wild animals. The food they needed they hunted for themselves, and gathered with their own hands. When there was no food to be had, they went hungry. Except for the strength in their bodies, and the protection afforded by their wits and their instincts, they were wholly at the mercy of Nature.

But gradually as mankind developed, a new factor entered. The primitive fisherman, for example, who may have been in the habit

of relying on sticks, stones, or his hands for a scanty catch, perceived an opportunity to get more and better fish if he could build a boat. So he decided to devote a part of his time to constructing one.

This time may have been taken from his leisure, or he may actually have had to get along with fewer fish while he was constructing the boat. Eventually, however, his time and his industry place him in possession of a new tool, with which he can now bring in more fish and larger fish than he ever caught before. Products like the primitive fisherman's boat we term *capital*.

Capital, as we shall see later, is goods that are not immediately used up but that are devoted to still further increasing production. Tools, equipment, stocks of raw materials, and all forms of durable products are capital. With capital man's efforts were made much more fruitful—and production reached a higher rate than had ever been possible before.

In the beginning the three essential factors in production—raw materials, capital, and labor, were usually owned and furnished by the same man. The farmer, for example, was in possession of his own soil, made his own rudimentary hand tools, and labored in his fields himself. So did those engaged in the simple crafts. Every man was a capitalist, a laborer, and a landlord—all in one.

But as society developed, the factors in production began to become separated and were owned and furnished by different persons. It was no longer economical for the farmer, for example, to make all his own tools. He could grow better crops and get larger crops if he used implements made by an implement maker. He also often found that he could produce more if he employed others to labor in the fields for him, while he planned their work, and planned the crops. An occasional farmer of exceptional ability discovered, too, that he possessed qualities that enabled him to take large tracts of land owned by others and tools owned by others and get a return that would satisfy them and still leave something for himself.

So a fourth factor entered into production—the factor that today we regard as rarer and often more vital than any of the other three. This factor is *enterprise*—the quality that foresees wants that are unsatisfied among the population, that develops means for satisfying such wants, that assumes the burdens and the risks necessary to bringing together the raw materials, the capital, and the labor so that production may go forward.

At another point we shall consider separately these four factors in production. Our purpose here is to note clearly what each is, that there are four, and that all four are necessary and indispensable for organized production to take place.

Few persons will dis-

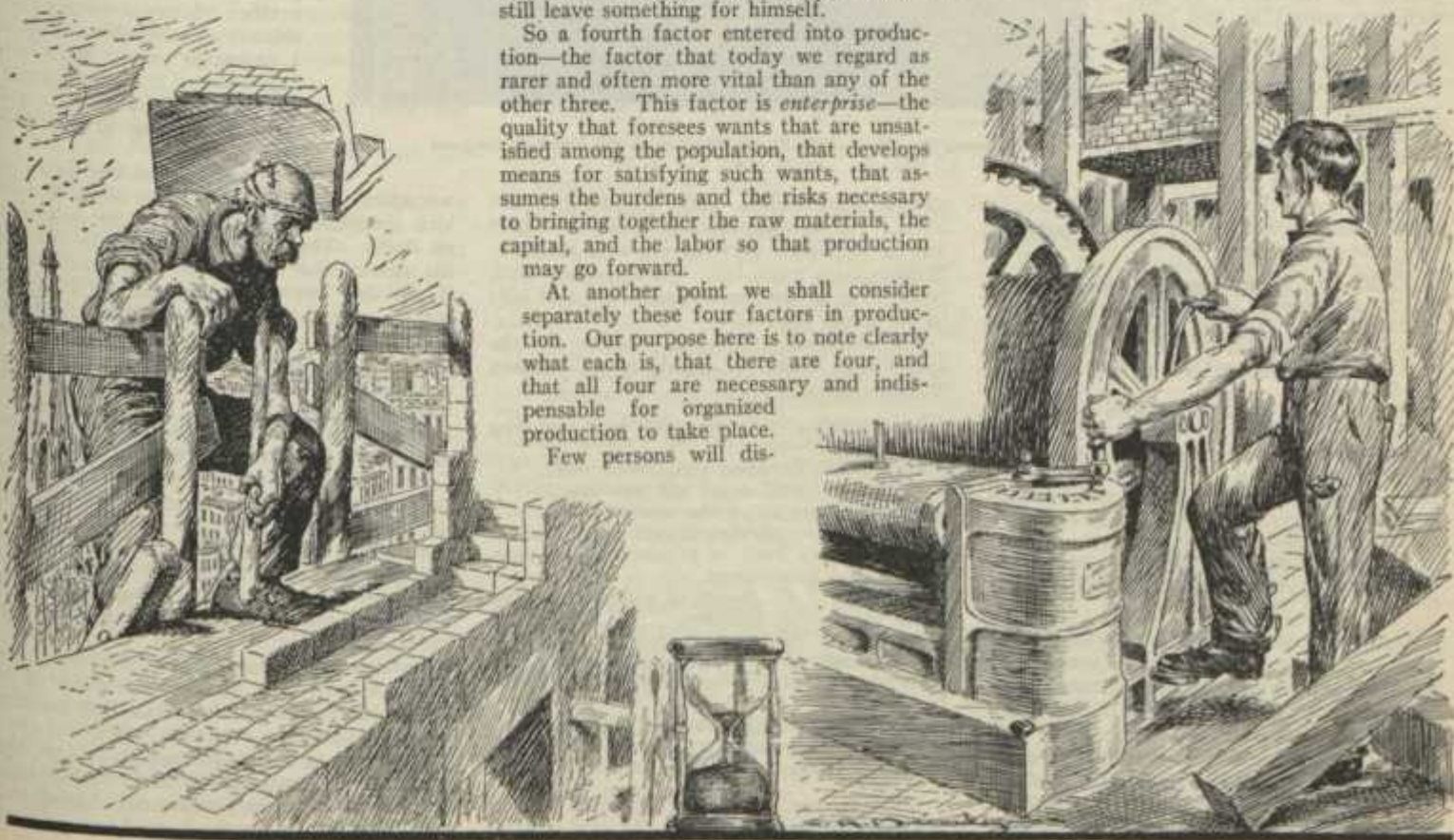
agree with the latter statement so far as it concerns capital and labor. The contribution of these two is so direct and obvious as to be unquestioned. There is questioning, however, of the need for capital and business enterprise. Especially is their importance misunderstood—and the vital nature of the part they take in the entire productive process.

Much of this confusion disappears when the exact nature of capital and enterprise are defined. It is a mistake, for example, to think of capital as money, and nothing else. Capital is not money but goods—goods that exist to help produce more goods. We buy capital with money, or express its value in money, but it is the goods, and not the money that is capital. In the form of machinery, and tools, and factories capital does physical work; and its necessity cannot be doubted.

The same is true of enterprise. There was capital available for use—there was labor available for use—there were raw materials available for use—long before the telephone, for example, was the indispensable article in our lives that it is today. As a practical idea the telephone instrument existed some time before the telephone came into general use.

The Requirements for Progress

BEFORE society could have the telephone, one man and a group of men had to *will* that there should be a system of telephones; they had to risk their efforts and their money in telephone construction; they had to persuade capitalists to purchase plants, and tools and wire and copper for telephone manufacture. They had to hire workers to build telephones—and pay them in advance of the completion of the telephones and of their installation in the homes of subscribers. It was only when the telephone was a commercial success—when everybody wanted one and used one—that the enterprisers could begin to reap a return for their efforts. The enterpriser's work is as essential as that of the ignition spark in the gasoline motor. It causes production to go forward.



The Doors Close on Congress

Summary of Business Legislation Handled by the Session Just Adjourned

By WILLARD M. KIPLINGER

THE FIRST session of the Sixty-eighth Congress quit without enacting many important bills. It always does. Congress killed a few outright but left most on its calendars of unfinished business, to be taken up at the next session, on December 1, this year, at the same stages where they were left on adjournment. This is the usual situation at the end of the first session of any Congress.

The session just finished was the subject of more popular vituperation than any session for years. With its investigations, its lack of definite party leadership, and its refusal to follow administrative recommendations, it appeared to be a "political Congress." It has been called a "do-nothing Congress."

Putting aside political considerations, waiving the question of whether disclosures of scandal in conduct of public business is good or bad for the nation, and viewing the session strictly on the basis of legislative work accomplished, its record is not so bad as is generally supposed. Scores of bills were "half way" enacted. They got through one house, and now await action in the other. Of course half a law is no law at all, but a fair appraisal of the work of this Congress must take into consideration this great amount of legislative work on scores of important measures. Determination of practical effectiveness must await the next session.

In ten years an impartial observer will say the Sixty-eighth Congress, at its first session, in the 1924 political campaign year, did these things:

- (1) Brought to light scandals and near-scandals in government administration.
- (2) Reduced taxes, in amount, but not in form, as recommended by the Treasury.
- (3) Passed a soldiers' bonus bill and defied the President.
- (4) Narrowed the immigration gates and offended Japan.
- (5) Talked all session about legislation to give prosperity to farmers, and did nothing.
- (6) Managed to avoid all railroad legislation, thereby pleasing railroads and most business interests, and displeasing radical groups.
- (7) Made government appropriations smoothly under the new budget system, without the log-rolling of past years.

This was accomplished in six months, of which nearly one and one-half months were spent in organizing committees, leaving four and one-half months for legislative work. Republicans had a nominal majority in both houses, but Senator La Follette's insurgent Republicans voted with the Democratic minority on many crucial issues, and cracked Republican responsibility. La Follette was dictator

without being leader. There were no great debates. The only approach to a historic debate was in the House over the defeated McNary-Haugen farm relief bill. On the other hand, committees of both houses sent scores of bills to the houses for action.

The outstanding jobs on schedule for the next session, from the standpoint of business men, are these:

- Appropriations for the fiscal year beginning July 1, 1925.
- Farm relief, including reclamation relief.
- Raising of postal wages and also rates.
- Technical revision of the new tax law.
- Decision as to whether Muscle Shoals shall be leased to Henry Ford, or someone else, or operated by the Government.
- Definition of the powers of national and state banks to establish branches.
- Revision of the transportation act.
- Substitution of a new system for settling railroad labor disputes, to replace the Railroad Labor Board.
- Reorganization of government departments.
- Perhaps new regulation of the coal industry, in case of strike or threatened strike.

Business men during the next few months will be promised much from the next session.

They had better be wary in their expectations. The session will open December 1 and close March 4, and the principal work will be consideration of appropriation bills. If the Republican party loses even its nominal control of Congress at the November elections, the party or group which gains control will be tempted to block controversial legislation until its members are seated. This will not be until after March 4, 1925. On the other hand, there are many bills which need not be considered partisan measures, and action on many of these may be expected. Action on some of the more important bills affecting business interests may be summarized briefly.

Taxes. These were reduced 25 per cent for individual income taxes payable this year, and considerably more on most classes of taxpayers for next year. As compared with the much advertised but rejected "Mellon plan," the law as enacted will provide more relief for the small taxpayer (for the great majority, actual effective rates are cut to less than half the former rates), and less for the large taxpayer. It is a more "popular" measure in the sense that it cuts down taxes on more persons—on persons who will vote in November. Many observers consider it an inevitable course in a campaign year. Mr. Coolidge declared it "tax reduction, not tax revision," and will make it an issue in the elections.

Bonus. After five years of wrangling, veterans were given adjusted service certificates, payable in twenty years or on death. The President vetoed the bill on the ground that the nation could not afford it, the veto was overridden and the Treasury has announced that even with tax reduction, the bonus can be paid, although there is some chance of new forms of taxes later. A group of dissatisfied veterans will press for a cash bonus in a year or two.

Appropriations. These were made substantially in the form recommended by the Budget Commissioner, and the smooth passage of most bills through Congress demonstrated the efficiency in this particular year of the new budget system. Failure of a deficiency appropriation bill in the last hours of the session will cause many annoyances until December, but most are not serious to the nation as a whole.

Immigration. After July 1, this year, immigrants from each country are restricted to 2 per cent of the number from that country in the United States in 1890, much less than 3 per cent of the 1910 number, as in the former law. Japanese are flatly excluded by law, instead of by the Gentlemen's Agreement, and Japan is very wrothy over the enactment.



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Closing the doors of the House Chamber on the departing Congress

Pensions. Former pensions are continued, but the Bursum bill, carrying \$59,000,000 new pensions was vetoed, and Congress did not pass it over the veto. The government was saved this much, and old soldiers do not like it.

Postal Salaries. These were increased by \$65,000,000, but no raise was made in parcel post or other rates to meet the added outlay, and the President vetoed, saying, "Government extravagance must stop." Postal employees are angry, mainly at Congress for not legislating rates upward to take care of wage increases. Both wages and rates may be increased next session. C. O. D. and insurance service was extended to third class mail.

Child Labor. A constitutional amendment was sent to the states for ratification, giving Congress power to regulate working conditions of persons under 18. Farmers objected to it on the ground that it might interfere unduly with chore work of sons and daughters on the farm. Strong objections have been expressed in many states to the high age limit.

Dairy Bureau. This was created to take over the dairy work of the Bureau of Animal Industry, Department of Agriculture.

Packer and Stockyards Act. "Teeth" were put into the old law, to require bonds from dealers and market agencies for performance when they are suspended for insolvency or law violation.

War Finance Corporation. Its powers were continued to November 30, this year, to make loans to distressed banks, mainly in agricultural regions.

Forest Protection. Important law protecting forests and providing for reforestation was enacted.

Alaskan Fisheries. Law to regulate fishing industry and conserve fish was enacted.

Good Roads. Appropriation bill carrying \$165,000,000 for federal aid was passed.

Government Foreign Service. Rogers bill, reorganizing consular and diplomatic service, finally became law; bills to give diplomatic status to foreign agents of the Bureau of Foreign and Domestic Commerce and the Department of Agriculture were not enacted.

Merchant Marine. An appropriation of \$25,000,000 was made for equipment of Shipping Board vessels with Diesel oil burning motors.

Cotton Statistics. Reporting of these was ordered reorganized.

Veterans Bureau. Provision was made for reorganization.

Oil Pollution. Contamination of river, harbor and coastal waters was prohibited.

Inland Waterways Corporation. This was created to operate for the Government the barge system on the Mississippi and Warrior Rivers heretofore operated by War Department engineers.

List of the Bills Killed

THE LIST of bills which were killed, or which failed to receive final action, is long, and only some of the most important are mentioned here.

Farm Relief. The big fight was over the McNary-Haugen bill in the House, and it was voted down. It would have created a government corporation to buy agricultural products until prices were comparable to pre-war ratios with prices of other commodities, then sell surplus abroad at lower world prices, and distribute losses among producers. It was fought with the charge that it was not workable, represented artificial manipulation of prices, and would not benefit farmers as expected. Strong western organizations supported it, and now they complain that covert White House influences were responsible for defeat. The

political effect on the fall elections is an important public question, and agricultural interests will work for this, or some comparable bill at the December session. The Norbeck-Burtress bill, for government loans to north-western wheat farmers, to finance purchase of live stock for them, to "diversify farming," failed earlier in the session.

The Smith-Hoch resolution, instructing the Interstate Commerce Commission to make a thorough study of the rate structure, with a view to determining whether agricultural rates were too high, was scheduled for passage, but failed in the last hours. The practical effect of it was doubted even by agricultural men.

Several other bills were rejected, including the Norris-Sinclair bill, for a government corporation to buy and sell agricultural products in the United States or abroad, and to operate an extensive marketing machinery; the Curtis-Aswell bill to promote co-operative marketing; several bills providing bounty for wheat exports, and, at the last minute, a proposal that the War Finance Corporation buy agricultural products to raise prices, sell them abroad, and swallow the loss. Something like the latter idea was suggested by the President earlier in the session. A statement from the American Farm Bureau Federation said: "Congress might better have stayed at home and saved the farmers' tax money."

Alive for Next Session

THE Capper-Williams bill, establishing a system of government supervision for co-operative marketing associations, probably will be an issue at the next session; it is a long-time, not an emergency proposition.

Muscle Shoals. The House passed a bill to lease this to Henry Ford, and the Senate will vote on it three days after convening in December. The West and the South in Congress combined to pass the bill; some radical interests in the west want the Government to keep the plant and operate it; the President recommends selling it.

Branch Banking. The McFadden bill, containing many important revisions of the national bank and federal reserve acts, restricting branch banking to city limits, and giving national banks branch-bank rights comparable to those given state banks under state laws, was scheduled for passage without much opposition, but disappointed agriculturalists prevented action in the final hours. It will be up early in the next session.

Tariff. Many bills were introduced, but none of importance was considered.

Railroads. Extended hearings were held on bills to repeal Sec. 15a of the Transportation Act, which seeks to prescribe an earnings standard, but no action was taken. The Gooding "long-and-short-haul" bill aiming to reduce rates to western mountain regions, and perhaps to raise transcontinental rates to the Pacific coast, passed the Senate. The Howell-Barkley bill, to substitute group adjustment boards for the Railroad Labor Board, failed in the House in a parliamentary tangle, and will come up next session. Repeal of Pullman surcharges was voted by the Senate only.

Tax Exempt Securities. A proposal for a constitutional amendment to permit the Federal Government to tax state, county, city and other local bonds, and likewise to permit states to tax federal obligations, was voted down flatly in the House.

Bankruptcy. Investigation of bankruptcy frauds will be held by a committee this summer, and probably the bankruptcy laws will be revised at the next session.

Blue Sky. A bill for a federal blue sky

law, opposed by certain western and south-western oil and mining interests, was caught in a parliamentary tangle in the House.

Patents. A bill to amend the patent and trade-mark laws passed the House and is on the Senate calendar.

German Commercial Treaty. This did not come out of Senate Foreign Relations Committee; it was considered important both for itself and as a model for other commercial treaties.

Radio. An important bill providing for regulation of radio under the Department of Commerce passed the Senate and is before the House. A bill relieving broadcasting stations from paying copyright fees to song writers did not get out of committee.

Merchandise Misbranding. Hearings were held on a number of these bills before the House Interstate Commerce Committee, but they were not reported out. This applies also to "truth in fabrics" bills.

Air Mail. Legalizing contracts with private carriers, for postal matter, failed to get action in the House.

Cotton and Grain Futures. Bill to prohibit dealings in these, is on Senate calendar.

Potash. Bill to authorize government prospecting for new sources in the United States passed the Senate only.

Free Ports. Bill to establish foreign trade zones is on Senate calendar.

Loan to Germany. To buy food for children failed on assumption that Germany does not need it.

Alien Property Trading Corporation. Dial bill to use \$150,000,000 of alien property money as a revolving fund to finance sale of cotton and other raw materials to central European purchasers, is on Senate calendar.

Banks in Virgin Islands. Bill to extend the national banking act to the Islands, passed the Senate, held in the House committee.

War-time Conscripting of Property. Proposal for commission to study and report on means of conscripting property and materials as well as men in case of war, reported by House committee, pending on calendar.

Naval Construction Program. Appropriations to strengthen the navy to the limit allowed under the limitations of armament treaty, "5-5-3," were held up until December in the last minute legislative jam.

Campaign Contributions. A special committee will sit this summer and fail to investigate.

Rivers and Harbors. For continuing present projects, \$37,000,000 was allowed; for new projects, a \$53,000,000 appropriation bill was held over to December.

Beer Bills. None came out of committee.

Prohibition Bureau. Bill to create separate bureau for enforcement in Treasury, passed House, on Senate calendar.

Chamber Bulletin Gives Data

HUNDREDS of other bills were introduced, and some passed. Only those with direct effect on business are listed above.

The exact status of bills pending before either House can be determined from the calendars of the House and Senate, published shortly after adjournment of Congress, obtainable from the clerk of the House or the Secretary of the Senate. The Chamber of Commerce of the United States issues a post-session bulletin showing action on bills and their status.

Continuing this summer will be investigations on campaign expenditures, aircraft contracts, Revenue Bureau and prohibition, Shipping Board and bankruptcy.

President Coolidge has made forty specific formal recommendations to Congress. Only a few of these have been adopted.

The NATION'S BUSINESS

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MERLE THORPE, Editor

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Trying to Make Prosperity by Law

MORE MEAT is the motto the Argentine Government has set out to get the rest of the world to follow, of course meaning "more chilled beef from the Argentine."

This propaganda, designed to induce Argentine's customers to eat more of her meat, is the latest form of the government's effort to help Argentine cattle raisers. The agricultural depression was especially severe in its results in prices for Argentine cattle.

Apparently like governments elsewhere, the Argentine Government felt called upon to return the cattle growers to prosperity. The government tried various expedients and last fall decreed, in a minimum-price law, that buyers should pay at least a stated price for Argentine cattle. Within something like three months the government found the cattle raisers' state was so much worse under this law than before that it threw the law into the discard. With less hurry and with more thoughtfulness it has now begun to look for new and enlarged markets.

Possibly Argentina got some of its notions of last fall about the way to cause prosperity by legislative fiat from her neighbor, Brazil. However that may be, Brazil has continued her valorization scheme for coffee and apparently is forgetful of the burden she is piling on herself. Producing two-thirds of the world's coffee crop, and having coffee representing at least half of her exports, Brazil has a real interest in coffee and the continuation of its production in Brazil. Thus, it happens that exports are so regulated as to maintain a price which is calculated as remunerative to growers.

This process involves keeping back part of the crop. Through this process a "carryover" has been accumulated that equals something like a fifth of the world's annual consumption. The financing of this constantly increasing accumulation bids fair to break somebody's back, sooner or later.

A Tax of 86 Per Cent!

EIGHTY-SIX PER CENT as a rate of tax reaches the point of confiscation. That is the percentage the Bureau of Internal Revenue figured originally as the tax a corporation should pay under the law of 1918 on the proceeds of insurance policies it had obtained on the life of its president. The policies yielded \$97,000 and the tax was figured at \$84,000. Eventually, recognizing extreme hardship, the Commissioner of Internal Revenue reduced the tax to \$55,000. That figure, too, looked confiscatory to the company and it went to court.

On May 26 the Supreme Court held the company did not have to pay any tax upon the proceeds of this insurance, because the Bureau of Internal Revenue was wrong in its construction of the law. Saving 86 per cent, or even 56 per cent, is distinctly worth while.

The Flexible Tariff Law at Work

STRAW HATS have now taken their place upon the list of articles the Tariff Commission is studying, to see if costs of production here and abroad make it desirable for the President

to exercise his powers under the "flexible tariff." They occupy the thirty-seventh place on the list.

Three numbers on the list, to be sure, have been stricken out. Regarding each of them the commission's investigation has been completed. In each instance, the commission found that the duty was not sufficient to equalize the cost of production in the United States and in the chief producing country, and the President increased the duty by proclamation.

By accident rather than intention, undoubtedly, the commission has completed an investigation a month, since it reported on wheat and flour in March. In April, it told the President that the duty of 3 cents a pound did not offset the low cost of producing sodium nitrite in Norway—a material used in making some coal-tar dyes—and the President used all the authority Congress had given him, by raising the duty 50 per cent.

In May, the commission declared that the cost of making barium dioxide in Germany was less by more than 6 cents a pound than in the United States, and the President again used his authority to its full extent, by increasing the duty from 4 to 6 cents on this substance, which has its chief use in the manufacture of hydrogen peroxide.

The thirty-four articles remaining on the list of the Tariff Commission take a wide range. Pig iron, sugar, cotton gloves, briarwood pipes, plate glass, taximeters, vegetable and animal oils and fats, gold leaf, and oxalic acid are illustrations of the articles with which the versatile commission must deal.

The Call to the German Brick

BRICKS FROM ENGLAND were used for some colonial structures and have been much admired by tourists of a later date because of the distance they traveled.

Bricks from Germany, however, have been the latest contribution from overseas. When the price of brick at New York went to \$21.00 a thousand, German brick found the attraction to cross the Atlantic so irresistible they proceeded to come, millions strong.

Ghee!

GHEE is not an expletive. It is the form of butter used in India. In fact, it is clarified butter, and is about as much of a common article of diet among Indians as butter is among us.

Preferably, it is made from buffalo milk. For one reason or another, the price has gone upward, adulteration has crept in, and the market is said to be large for a substitute made from vegetable oils.

Duplication of the odor of the real article, however, seems to be the stumbling block in the way of success as yet. For the man who can add to vegetable oils of proper sorts the real odor of ghee, a fortune is said to be waiting in India. The fact that the odor of ghee is indescribable should add to the zest of the undertaking.

Ideal and Practical Too

CODES OF LIVING equal to the soul's demands are hard to frame. But ideals there are to sustain every noble purpose, and men find strength for good works by holding to a deep belief in perfections of living and doing. So it is that Americans have raised up a practical idealism that gives form and direction to the individual and community aspects of the national character. That idealism is worth understanding and worth preserving. That idealism will serve to test pressing national questions—questions that are concerned with all the phases of cooperation between Government and industry for the national and the individual welfare. To that service of test, three typical American ideals will apply:

A social ideal that would close no door of advancement be-



Let in plenty of economic fresh air and fire the cure-alls out of the window.

cause of accident of birth, or of station, but would make character and ability and energy the test of leadership.

A political ideal that Government is primarily for the maintenance of fair play and equal opportunity—the truest liberalism, because it asks no favors or advantages but the equal chance for men to attain their place by their own character and ability, and their willingness to work.

An industrial ideal that believes in stimulated production, and the transformation of nature's resources into human service by invention, by machinery, by the mastery of mind over matter—lifting drudgery from the bent backs of men.

Where Tax-free Securities Are Held

TAX-FREE securities, the Federal Trade Commission told the Senate when the Senate had got into the midst of the tumultuous task of adjourning, caused the revenues from the federal income tax to be less by approximately \$100,000,000 for 1922 than if interest from these securities had been fully taxable.

Wealthy individuals, the commission estimates, hold about \$4,500,000,000 in wholly or partly tax-free securities, corporations nearly \$12,000,000,000, and persons who do not reach the distinction of being wealthy most of the balance of \$16,770,000,000. A wealthy person, according to the commission's philosophy, seems to be anyone who receives an income of \$10,000 or more a year. Thus, the members of the commission included themselves among the financially elect. In all probability this is the first instance on record in which office holders avowed that their salaries placed them among the wealthy.

The holdings of corporations are estimated by the commission as:

Banks and trust companies.....	\$5,600,000,000
Insurance companies.....	2,300,000,000
Other corporations.....	4,400,000,000

The tax-free interest going to corporations on these bonds is estimated at \$448,000,000 in 1922. Tax-free interest going

to persons with incomes of \$10,000 or more is said to have been \$97,000,000 and conditionally tax free is put at \$78,000,000, or a total of \$176,000,000. The interest on the remaining \$16,770,000,000 does not appear to have been estimated by the commission.

Of course, the proposals to get rid of the difficulty about tax-exempt securities have not contemplated a change with regard to outstanding securities. They have been directed toward future issues. Upon a discussion of the principle of tax exemption in future issues the commission does not enter. It does not even attempt to forecast the probable course of state and local governments in issuing bonds. Dealing with the immediate past, however, it says that the chief purpose of cities has been to provide facilities for public health, transportation, and education and on the part of states and counties to pay a soldiers' bonus and build roads.

Presumably, the Bureau of Public Roads is not altogether sure on the last point. Taking the same figures as the commission uses, it finds that highway bonds represent 14 per cent of the public indebtedness of states and local governments. The conclusion of this bureau in the Department of Agriculture is that "the indebtedness incurred on account of rural highway expenditures accounts for but a small part of the public indebtedness to which the states and their subdivisions have obligated themselves."

Fair Play for Feather Beds

FEATHER BEDS are not to be misrepresented any more if the Federal Trade Commission has its way. A manufacturer or compounder of feather beds—which process when applied to the raw materials results in the luxury we are not wholly certain—had just one sort and quality, but he gave the various beds as they emerged from his place of business labels for a series of qualities. The commission said that sort of thing will not do, even with feather beds.

Government Aid to Young Barristers

Slim Picking Twenty Years Ago—But Today, Oh, Boy!

WHEN I studied constitutional law, it was a briefer and simpler and possibly a more convivial subject. The 18th Amendment was unheard of, and Congressman Volstead's name was unknown outside his own constituency. United States Senators were still elected by the occult processes devised by the framers of the original Constitution, instead of by the direct vote of the people; the women of the country were yet without suffrage, and, of extreme importance from a strictly personal as well as from the lawyer's standpoint, there was no such thing as the federal income tax!

It took more temerity, or courage, or confidence, in those days for a man or woman to enter upon the study of the law. The field of federal practice was limited. There wasn't any Federal Trade Commission, any background for the new Court of Customs Appeals, any Tariff Commission sitting on flexible tariff questions; the Internal Revenue Bureau was a modest little establishment of no more interest to the average lawyer than the Smithsonian Institution or the Bureau of Fisheries; the Federal Reserve System simply didn't exist; the Shipping Board and the Emergency Fleet Corporation were not yet created; immigration restriction was slight; and the Department of Labor, as a separate department, had not yet been created.

But we did not know what we were missing. The legislative mill on Capitol Hill was still grinding. Congress was not made up of dentists and steamfitters and dirt farmers in those days. It was made up of men of the law, and from our reading of legal decisions we knew that those men of the law could be depended upon to concoct legislation that would require the services of more and more lawyers. We felt that our confidence was well placed and that aside from ordinary torts, contract cases and crimes and probate, this field of federal practice would widen to absorb as many of us as wanted to enter it.

The average business man didn't give much thought to the Federal Government in those days. Taxation was not the intimate, searching process then that it is now. Customs duties and stamp taxes on liquor and tobacco furnished a large share of the revenue. The tariff, of course, was a business as well as a political issue; and the business men knew that was a big element of the

A COMMENCEMENT address is ordinarily "across the Alps lies Italy" to the T. B. M. Here's one, however, by a seasoned attorney, before a graduating class in law, which, we believe, not only will prove very readable but especially informative to the American business man.

Federal Government. Of course, all of the business men came in contact with the Postal Service, and took an interest in it if any legislation or administrative action brought about an increase in postal rates on the classes of matter of chief interest to them.

A good many business men, moreover, had occasion to think of the Government at Washington in connection with patent and trade-mark matters. Of course, the Sherman Anti-trust Law was on the books; and in a few lines where pools, trusts and combines had been formed, business men were made sharply conscious of that phase of the Federal Government's solicitude as to their welfare and that of the public. The Bureau of Chemistry had already discovered benzoate of soda and some other things and had made the acquaintance of a good many business men in the foodstuff lines.

Large numbers of business men had become aware of the Federal Government's interest in bankruptcy proceedings. The Interstate Commerce Commission was already a tangible and growing evidence of Federal Government interest in railroad rates and services. The list of contacts between business and government, of course, is by no means complete; but it touches most of

the high spots. But how different was the business man's relation to the Federal Government then from now!

Under the taxation power, the power to regulate interstate and foreign commerce and the police power, and in the interest of promoting the general welfare, the Government of the United States in these last few years has reached out in one line after another and forced itself home on the consciousness of the business man. And, on the other hand, the business man, forced to take an increased interest

in the Federal Government, has more and more contributed his views, as well as his cash, to improve the governmental establishment.

One of the business man's main professed desires in life is that the Government shall let him alone. But that the Government refuses to do. If all the business men in every line of endeavor were cognizant of the public interest in their activities and could always be depended upon to conduct their business with due regard to that interest, possibly the Government would let the business man alone to a greater extent.

But the Government discovered the need of regulation in the packing of foodstuffs, and it discovered the cattle tick and other dangerous pests on imported animal products; then the Federal Horticultural Board came into existence and began to take measures to stop plant pests and diseases from coming into the country, and that all interfered with business. And the Government began to exert some control over the country's water power and the leasing of oil lands on the public domain—which again interfered with certain private business, as we've recently heard.

The parcel post came along and offered competition to the express companies and railroads, as well as offering great services to the distributors of merchandise; the Federal Government established postal savings banks, first with a rate of interest below the private bank rates, but then with the proposal to raise the rates to a point where they became competitive.

The Federal Government laid down the standards on which cotton and grain might be sold; it regulated the sale of grains on the exchanges; it regulated the rates, the practices and the book-keeping of the packers and stock yards. It attempted to use



The Government of the United States has reached out in one line after another and forced itself home on the consciousness of the business man.

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the interstate commerce clause and the taxing power to abolish child labor. The regulation of railroads was exercised in a manner and to an extent that made it a matter of crying, vital importance not only to the roads but also to the business men in all lines in all parts of the country. Immigration restriction came and some lines of industry found that this interfered with their labor supply.

The list might be greatly prolonged. Take almost any branch of commerce or industry, from crude production to foreign and domestic distribution, transportation and communication, insurance and banking. Look over the federal legislation of the past few years, and you will see where the Federal Government has reached out and touched it at one point or another.

The war, of course, accentuated and hastened the process. The War Industries Board, the War Trade Board, the Railway Administration and the war-time taxation brought the Federal Government home to

every business man. War losses, the peace treaties and our war loans, with their relation both to taxation and the value of Liberty Bonds, have given most of our business men a direct personal interest in the foreign affairs of our Government and its treaty making.

Passports have survived the war and are a considerable item of expense to business men traveling abroad. Aside from the more routine extensions of the Federal Government's contacts with business, these war-time inheritances alone make the business man take an acute interest in his Government. And there is yet another side to this business interest in the Government—that is, in the strictly promotive side of the Government's activities: control of the boll weevil, flood control, reforestation, reclamation of waste lands, irrigation, waterways development, extension of public highways, establishment of quality standards, Weather Bureau service, scientific research, and research in marketing, statistical service and promotion of foreign trade.

The business man may protest the height of government expenditures, but the business man himself is forever asking the Government for more and more public services. A few years ago we spent a few hundred thousands of dollars for foreign trade information, now we spend millions; and the demand for such information by business men continues to grow.

It is my belief that the business men of the United States, more than any other one class of citizens today, follow the activities and the legislation of the Federal Government. The last fifteen years have seen a great growth in the organizations of business men and an increasing interest in those organizations in the affairs of the Federal Government.

It is not only a selfish, defensive, protective interest against the extension of government into business affairs; rather a constructive interest in behalf of a more businesslike government—of better legislation generally.

Reflecting the Ideals of Industry

A Farmer Philosopher and a University Professor Have Praise and Criticism for Julius H. Barnes' New Book, "The Genius of American Business"

Comment from the Kansas Sage of Potato Hill

By E. W. HOWE

MANY years ago I read a book by Andrew Carnegie, entitled "Triumphant Democracy," and have since regarded it as one of the best I ever read. Mr. Carnegie, as a Scotch immigrant boy, found rewards for industry and character so liberal in the United States that he long ranked as our greatest business man and philanthropist. He wrote "Triumphant Democracy" in old age, and this appreciation by a foreigner caused millions of us natives to understand better the blessings of a just form of government combined with unusual natural advantages.

"The Genius of American Business," by Julius H. Barnes, is almost as good a book as Mr. Carnegie's. In some respects it is better, since its statistics are more condensed, though presented in a manner no less eloquent and arresting. Mr. Barnes is president of the Chamber of Commerce of the United States. During the war he was Wheat Director, and had charge of a fund of \$1,250,000,000 to redeem our war pledge to the farmer.

His reputation as a business man thus seems established, and while professional writers create the impression that when a business man attempts print, he finds pen and ink with difficulty, misspells most of his words, and is compelled to pay regular rates to get the poor stuff in his local paper, this book is issued by a first-class publishing house (Doubleday-Page, New York).

A reading of it leaves the impression in my mind that the author is a gentleman, as well as a useful and reliable citizen. I, therefore, have confidence in the creditable statistics he quotes. A man occupying so responsible a position in the world may be relied on for accuracy of figures, and to draw sane conclusions from them.

Mr. Barnes should not only write again, but induce members of his organization to write. Our literature has reached so low a stage that I recommend that business men come to its rescue with their superior practical intelligence and direct approach; and the best literature is no more than superior practical intelligence, any way you look at it.

Our professional writing men, like professionals in everything, have advanced too much; so much, indeed, that half their readers do not understand them. H. L. Mencken, possibly our foremost literary critic, lately attempted to prove that a certain professor of literature writes so profoundly, and with such labored skill, that his product is not only beyond understanding, but palpable bosh with mischievous intent.

A stream of books pours from printing presses improved by American genius. More of them should be of the character of "The Genius of American Business" and "Triumphant Democracy." Both these are easily understood, fair, important, and prove that life in the United States is carried on by the fairest system known since mankind began collecting edible roots as a food reserve for cold and rainy days.

What Fair Play Has Done

AS A RESULT of this fair policy in government, this plan of giving everyone equal opportunity, we have become the most prosperous people the sun has ever looked upon. It has been denied that America is the land of equal opportunity, but lamely: so many poor men have succeeded here as to leave no doubt that other poor men may.

It is a fine, moving story, and Mr. Barnes tells it so well that the patriotic reader is inclined to cheer. His book is not another exhibit in the "American drag" foreigners talk about, but a showing of statistics, with moral attached, that no other nation in the world can match.

American business has its faults (as has, alas, been remarked before), but pays higher average wages than are paid elsewhere. It invents more labor-saving machines, and lays off fewer men when the new machines are installed. It provides more opportunities for capable workmen to advance. It endows more art galleries, orchestras, medical colleges and hospitals. It makes noted and use-

ful men of more poor boys. The world's greatest philanthropist today, or of a hundred centuries in the past, is an American business man who overcame the poverty into which he was born.

There are 1,800,000,000 human beings on the face of the earth struggling for existence, fame, profit, pleasure. America has only 6 per cent of this vast population, but annually converts natural resources to human use to the extent of half the world's production of basic materials: coal, iron, copper, oil, steel, timber. Our 6 per cent of the world's population produces and consumes one-half the newsprint manufactured in the world; it produces and uses at home 90 per cent of the world production of automobiles; it has almost half the total railway mileage, and almost three-quarters of all the telephones in existence put together.

The same story might be told about schools; about the average advance in wages; in production per man in our industries, because of better machinery, better working conditions and better living. American prosperity is so great, so universal among those who will fairly and honestly try, we are compelled by law to keep out the hordes who have lived under a less equitable system, have therefore achieved less prosperity than we have achieved and would like to share our good fortune.

This is what Mr. Barnes' book is about, with a warning that we should not depart from a system that has done so much for us.

The only fault I find with it is that the author does not pay sufficient attention to the Fascist uprising in Italy, which I believe to be the most creditable development in human history. The Italians successfully revolted against the dangers Mr. Barnes so forcefully points out, yet he passes the incident with a few words. A similar revolt in our own Harrisonville, Ark., is not mentioned at all, although it demonstrates that the same sound philosophy is developing in America.

If the people of the world are at last beginning to realize the futility of asking too

Burroughs

Adding



Machines

Bookkeeping



Machines

**BETTER
FIGURES
MAKE
BIGGER
PROFITS**

Calculating



Machines

Billing



Machines



Why Burroughs Builds An Adding Machine

Forty years ago there was an unfilled need for some mechanical means that would speed up business figuring and free clerks and bookkeepers from the monotonous, unprofitable, unproductive drudgery of adding—adding—adding.

In filling this need William Seward Burroughs went further. He gave the world its first practical adding machine—a machine that would add, subtract, multiply and divide. A machine so simple that "even a child can operate it."

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much for everybody, and getting only unnecessary trouble and expense, it seems to me a step in human development that should have been encouraged in any book as sane as this book is.

If simple common sense is so powerful that

long neglect of it causes the people of a nation to revolt successfully against nonsense, I think the Chamber of Commerce of the United States and its president, as well as every citizen with honest purposes, should encourage the publishing of more books such as this

one, calling attention to that creditable fact.

It is a great compliment to our American ideals when the people of a foreign country revolt against a doctrine believed in only by the mentally and physically lazy of our population.

Barnes Book as Seen from the Economist's Viewpoint

MR. BARNES has collected in this little book a number of articles which have appeared in *THE NATION'S BUSINESS* and has added some others based upon recent addresses. He has woven them all into an attractive and interesting presentation, which will appeal to the intelligent business man.

His thesis is the more or less familiar one that the spirit of American business consists in the belief in individual effort, equal opportunity, and fair play. He has marshalled a large number of facts emphasizing the burden of his addresses. The picture that he draws of what has been accomplished in the economic life of the country is not only striking but inspiring, and the lesson that he seeks to inculcate is one that can be taken to heart by all.

In this attempt, however, to give the business man's point of view of American progress there are some minor points to which criticism can be directed. The author's opposition to anything that savors of socialism leads him in not a few instances to overstate the case, as when, on page 12, he makes the sad condition of Austria and Germany due to their socialist governments rather than to the war.

In the same way he ascribes the financial policies of fiat money "to the easy philosophy of socialism and communism" (page 59), forgetting that we have had just as many, if not more, examples of this fatal illusion among purely capitalist governments, including our own.

Mr. Barnes is often inexact in his history. Thus he states (page 3), that the steam engine was invented in 1781 and that we achieved our political independence in 1782—both of which dates are of course incorrect. Again he tells us that the lesson of our Continental paper money was not lost upon the United States, evidently forgetting the history of the Greenbacks during the Civil War.

More important is the contention that the American spirit of fair play had its origin in the teaching of the fathers who "in founding the republic established universal suffrage." As a matter of fact, the limitations on the suffrage were many, religious qualifications, property qualifications, and the like, and it was not until half a century later that universal suffrage was generally introduced.

In fact, there was in the eighteenth century very little individualism in Mr. Barnes' sense. Until almost the middle of the nineteenth century the average American normally turned to government for help. The early canals were almost entirely built by the states, as is true of many of the early railways; and state banks and state ventures of all kinds abounded. It was not until the pioneers reached the rich Mississippi Valley that individualism became a marked feature of American policy.

Moreover, it is amusing to be told that Europe does not possess our "Saxon genius," for if our genius is Saxon, it seems difficult to differentiate it from that of the Saxons in Germany, who are elsewhere held up to reprobation. Finally, it is startling to be told on page 46 that the proper function of government is to preserve free and open compe-

tion when the author himself objects to the anti-trust laws and the anti-pooling laws, the chief object of which was to preserve this free and open competition.

But these are all minor blemishes in a book that is written for popular consumption. The chief criticism that can be urged is that the book gives only the business man's view and that while business prosperity undoubtedly affects the whole community, the argument is not calculated to appeal to the great mass of the people who are not business men.

To sound the praises of an unrestricted individualism will today convince no statesman. For it is unrestricted individualism that has always produced the demand for socialism. Modern statesmanship like modern economics is opposed to both.

The real way to convince socialists of the error of their ways is not by emphasizing the undoubted benefits of an unrestricted individualism in increasing the quantity of wealth, but by calling attention to the shortcomings and the remedial evils of our modern business organization.

The way to achieve real progress and to attain ultimate social peace is to see that business is penetrated by social ideals. For Mr. Barnes repeats an old error in stating that an improved production will solve the problems of a more equitable distribution.

Government indeed generally puts its foot

By E. R. A. SELIGMAN

*McVickar Professor of Political Economy
at Columbia University*

into it through direct interference with business; but in so far as government can help to enforce a proper public sentiment, as recently in the abolition of the 12-hour day in the steel industry, it is accomplishing a salutary end. In fact, the far-sighted captains of industry today are willing to submit to reasonable regulation because they realize that only in this way can they be protected against the unfair and cut-throat competition of their unscrupulous rivals.

A government interference which does not destroy, but which raises the plane of, competition should be welcomed by all. The time of opposition to factory acts, to child-labor protection, to prevention of fraud and waste, to the social insurance of the laborer, to the regulation of monopolies and public utilities and the like, has gone by in every other civilized country and will soon pass in this country. To confound such efforts with crude attempts to fix prices in general, under the general designation of equal opportunity and fair play, discloses an inadequate analysis of modern economic problems.

Mr. Barnes has given us an interesting and stimulating book on the advantages of individualism. If he could follow it with a companion volume on some of the obvious disadvantages of individualism and how to remedy them, he would be appealing not simply to the business man, but to the farmer, the laborer, and the student—in short to the wider public and to the statesman who is interested in welfare more than in wealth. Only in that direction lies the possible escape from socialism.

Americans Abroad Must Pay U. S. Taxes

AMERICANS abroad, even with their permanent domicile in a foreign country and all of their property there, must pay income tax to the United States when Congress so decrees. This was the declaration of the Supreme Court in May, when it passed upon the protest of an American citizen who had become domiciled in Mexico and drew all of his income from activities and property in Mexico.

The Federal Government has power to levy a tax upon an American citizen wherever he may be found, is the theory the court upheld. The legal view is that an American citizen, wherever he may choose to reside, receives benefits from his American citizenship and, consequently, may be called upon by Congress to make payment toward the support of the United States Government.

This case turned upon legal questions, whether or not Congress had the power to tax in such an instance and whether or not Congress had undertaken to exercise the power. To both questions the Supreme Court returned the affirmative answers.

The question whether or not Congress should attempt to tax American citizens who reside abroad and draw all of their income from activities in other countries, and pay all the taxes the countries of their residence impose, is altogether different.

From the point of view of fairness there is only one possible answer. Congress should

not assess Americans who are in such a situation. It is their duty to pay all of the taxes of the country where they conduct their business. If they are burdened with a further tax on account of American citizenship they are placed at a competitive disadvantage with citizens of other countries. The concern of the United States should be to encourage its citizens to undertake business activities in other countries, not to seek to encumber them with handicaps.

To Improve Traffic Safety

THE DEATHS and injuries from street and highway traffic accidents last year exceeded the total casualties of the War of 1812, the Mexican War or the Spanish War. In order to study and find a remedy for this appalling accident rate, Secretary of Commerce Hoover has asked a number of organizations which are working to improve highway safety to coordinate their efforts. For this purpose preliminary studies in eight phases will be made, each phase to be considered by a separate committee of experts: Statistics, traffic control, road construction, city planning, insurance, education, motor vehicles and public relations. The information collected and the resulting reports will serve as a basis for a constructive program which is to be presented at a general conference to be held in the fall of this year.



Everybody wants reduced Taxes, and tax reduction will help Business in every line.

But—Federal, State and Local Taxes are a bagatelle compared with the enormous Tax paid by Business every day in the form of Human Element Waste.

Business is costing too much today.

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Waste of Time, Energy and Materials; Waste in little things, makes a staggering load which quantity production and turn-over cannot offset.

You don't need to wait for Congress and Legislation to reduce the Biggest Tax for you.

Now is the time to do it and we can help you in a very definite way.

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Our Plan is thoroughly seasoned, it is practical, simple and inexpensive.

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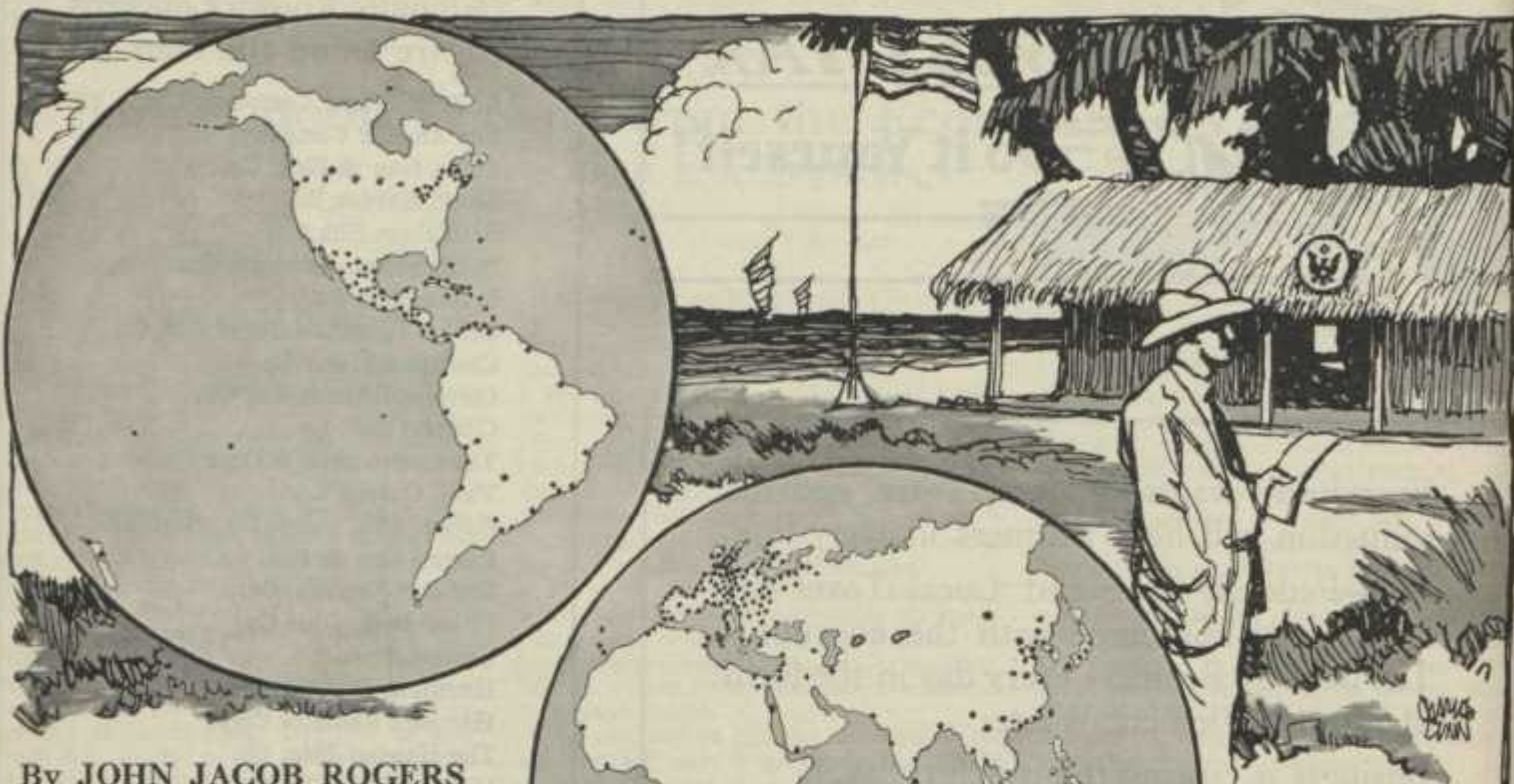
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The Rogers Bill and Business



By JOHN JACOB ROGERS

*Representative in Congress from
Massachusetts*

WHEN, on May 24, President Coolidge signed the bill for the reorganization and improvement of the foreign service of the United States he took the final legislative step in an effort that has been waged for seven years to put the diplomatic and consular agencies of the United States upon the highest possible plane of modern commercial and diplomatic efficiency.

It is a remarkable fact that although this country has been in existence something like one hundred and forty years there has never previously been but a single Act of Congress which provided for general reorganization of the foreign service. That law was enacted in 1856—nearly seventy years ago—and has naturally become as archaic as ordeal by battle.

Commenting on this circumstance Wilbur J. Carr, who has been Director of the Consular Service for many years and who becomes an Assistant Secretary of State under the terms of the new act, said:

The second measure in all the history of this country in relation to the foreign service, and by far the most important and most far-reaching, is this measure which you have before you. There has not been anything like it since the Government began to exist. In my judgment, if you enact it you have a bill which will furnish the basic structure of the organization for your foreign service for 50 years, a bill on which you can build any kind of a foreign service you please, a bill on which you can provide for ministers and ambassadors, secretaries, and consuls, in the light of what you believe to be responsive to the opinion of the country. I do not think I can stress too much the importance of this bill being enacted into law.

"Why," asks the business man, "is the quality, either of personnel or of service rendered by our foreign officers, a vital matter to me?"

Chambers of Commerce, under the powerful

leadership of the United States Chamber of Commerce, have recently been telling him why. Following up their explanation the great commercial bodies of the country have urged him to get behind the proposal for congressional reorganization of the foreign service. It is in an attempt to answer the queries as to the real value of such legislation from the standpoint of the practical man of affairs that I am asked by the editor of THE NATION'S BUSINESS to summarize the purposes and the proposals of the new act.

The foreign service of a nation is its first line of defence. Before armies and navies are requisitioned, before the decision as between peace and war has been arrived at, diplomacy has been diligently seeking a way out of the controversy. Skilled diplomacy is the greatest protector of peace. Bungling diplomacy is the most fertile cause of war.

The weapons of diplomacy do not include engines of war or battleships. Diplomacy is man power—or more accurately the brain power of man power—and nothing else.

A sagacious nation should strain every nerve—or go to almost any length—to secure the services of those among its population possessed of the maximum ability, of wide education and of long experience in the arts and practices of this highly skilled labor.

As Walter Hines Page put it, "We should

Have you business to transact with the Yankee Consul? You'll find him at any of the 457 spots on the world map.

train the most capable male babies we have from the cradle."

The cost involved in our whole foreign service is, relatively speaking, a trifle. The burden upon the Treasury for the operation of the State Department, of the diplomatic service and of the consular service for the fiscal year which ended June 30, 1923, was \$454,000.

I have just been furnished the figures for the first half of the fiscal year 1924; that is, the figures for the period which ran from July 1, 1923, until January 1, 1924. They show that even the small burden upon the Treasury for 1923 is now being wiped out and that for the current fiscal year the entire foreign service of the United States—including the administration thereof in Washington—will be maintained without the necessity of raising a single dollar from the taxpayers of the United States. In fact, the combined agencies will show more than a million-dollar profit.

Of course this showing results from the fact that the United States has taken the position—and I think has wisely taken it—that travelers and business men, whether Americans or foreigners, who seek to receive special service at the hands of our diplomats or consuls abroad should render appropriate payment for the service so rendered.

The new reorganization act will increase the budget for the foreign service by about \$345,000 yearly. Does this additional item alarm any thoughtful man? When one considers that our foreign service is far-flung throughout the seven seas and that officers

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are maintained in 457 posts throughout the world the additional commitment seems trifling indeed.

The other day I read a description of a large coast defense gun on its way from Watervliet Arsenal in New York to its emplacement in Boston harbor. It was stated that that one gun with its carriage and emplacement would cost something like two million dollars, four times and more the annual additional cost of giving us what will be the best foreign service which the United States has ever had, instead of the service of today which is merely a pretty good foreign service.

I am not underestimating, I am sure, the value of the coast defenses of the nation. We must have proper defence; but if we can have the best foreign service that the country can provide we are doing vastly more toward peace insurance than by multiplying the munitions of war.

Let us now consider some of the respects in which the new law seeks to achieve improvement.

(1) Always hitherto the diplomatic side of the service and the consular side have occupied separate, watertight compartments. There has been a minimum of contact, and practically no personal exchange.

Yet in our modern world almost every international question is partly diplomatic and partly commercial. Take such questions as tariffs, coal, seals, oil, and a score of others, and you have a mixed question involving national policies, diplomatic negotiations, and commerce. The more business a man knows the better diplomat he will be and the more international politics he knows the better consul he will be. On the other hand, a poor consul may quite conceivably make an excellent diplomat and, conversely, a poor diplomat make an excellent consul.

The measure in question authorizes for the first time free interchange between the two sides of the service as the interests of the United States make appropriate.

A young man of 25, let us say, seeks to embark upon a diplomatic career. He has just been graduated from college and passes an excellent examination for the diplomatic corps. There can be no sounder practical education for such a young man than to turn him for a few years into a consulate, where for the first time he will learn business methods, and where he will learn that worthwhile foreign service is not exclusively an opportunity to shine in society.

Interchange Develops Background

HE WILL be a better man, a better American, and a better foreign service officer all his life because of the background of his experience in a consulate. The provision for interchange, then, is our first plank.

(2) The salary scale on the consular side has run from \$3,000 up to \$12,000. The maximum for diplomatic secretaries has been \$4,000; and yet no one would wish to assert that the work of our counselor of embassy in London or Paris during the war was less valuable than that of the consul general. Still less would anyone wish to assert that a proper reward for the training and ability which the position required was represented by any such salary as \$4,000.

Suppose under the new interchangeability plan it was desired to send the consul general

at London to be counselor at the embassy at Paris, a position certainly not less in importance. Hitherto this would have involved a reduction in salary from \$12,000 to \$4,000. Manifestly such a situation would be a complete bar to the exchange.

For reasons of fairness, in the first place, and in order to make the interchangeability are maintained in 457 posts throughout the feature workable, in the second place, the new law assimilates the two salary scales. It does this by creating a single "Foreign Service of the United States," in which every diplomat and consul is assigned to an appropriate class. The salary scale of the new service thus created ranges from \$9,000 down to \$3,000. A counselor of embassy and a consul general of the first class both reappear as foreign service officers of class 1 at a salary of \$9,000.

Abroad, however, the diplomat and consul will continue to be known as before and in

UNCLE SAM, apparently, is spending public money wisely in appropriating an additional \$345,000 annually for the improvement of his consular service, as provided in the new Rogers bill.

If you think otherwise, consider, for a moment, that a single coast defense gun costs \$2,000,000—more than five times as much as the added appropriation—and then remember that an efficient consular service is just as vital a factor in the promotion of national safety as the needed cylinder of steel—and a humane instrument, as well, for the furtherance of international peace and 'round-the-world good will.

accordance with the practice of other nations. Our new amalgamated foreign service is simply a domestic arrangement for purposes of salary, classification, and the ready facilitation of the interchange features. The average salary increase is about 15 per cent or 16 per cent.

I doubt whether any thoughtful inquirer will feel that a maximum salary of \$9,000 which comes only to mature men after years of admirable service is too high, especially when we consider the financial demands upon our representatives abroad. Many will say that the scale is too low; but when we reflect that the Secretary of State himself receives a salary of but \$12,000 we must pause before undertaking to give what would be a really compensatory scale of salaries for men in the foreign field.

(3) John W. Davis told the Committee on Foreign Affairs that when he represented the United States in London, though living unostentatiously, with exchange in his favor and at a time when the financial demands upon him were at a minimum, he was nevertheless obliged to spend from his own pocket from \$50,000 to \$60,000 a year. "Now, of course," he said, "that is not fair." Yet it is true of practically every man representing our country abroad today.

We propose for the first time in the new law to make provision for at least a portion of the expenses of representing this country worthily abroad. Our ambassadors and ministers do not entertain because it gives them pleasure, but because to do their duty by their country they must see people. If they stay at their desks they are little better than useless hermits. If they are entertained they

must accept. And a man cannot always be entertained and never entertain.

Our principal rivals in world trade, the British, recognize this. They pay their ambassador at Washington a salary of \$12,000. We pay our ambassador to London \$17,000. But that is all he gets to defray every kind of expenditure. The British ambassador at Washington, on the other hand, has a suitable embassy building furnished him for his residence. In addition, he receives a representation allowance which brings his total emoluments up to just under \$100,000.

The yearly appropriation of a suitable sum for representation allowance—for the first time contemplated in the new law—will be an excellent investment for the United States and it will be "fair."

The bill does not provide any increase in the actual salaries of our ambassadors or ministers. At a later date I hope it may be possible for Congress to embark upon a general program of acquiring embassies, legations and consulates in the cities of the world where these are most needed and would be most useful. But this program is not carried in the recent law.

(4) Our army and navy officers are retired on three-quarters pay, without any contribution by them. Our judges are retired on full pay without contribution. Our civil service employees are retired, subject to the requirement that they shall have paid in two and one-half per cent of their salary during their active service.

There seems no reason why our foreign service officers only should be excluded from a retirement system. The new law provides such a retirement arrangement predicated, however, upon a contribution of five per cent of salary. This contribution will make the retirement almost self-supporting. The contribution of the Government will be 28 per cent and that of the men themselves 72 per cent.

Such a program will tend to keep in the service the best men who otherwise would feel compelled to provide for themselves and their families in old age by seeking more lucrative private employment. The plan also insures the retirement, without unfairness to them, of the supernumerary who have given their life to the Government, but who have passed the time of usefulness.

Selection Must Be Broad

THERE are many other provisions in the law but perhaps I have said enough to indicate its theory. In a few words it is this: The broader the basis of selection of personnel, the better should be the calibre of that personnel; and the more attractive the service becomes, in respect to salary, opportunities for interesting service and retirement arrangements, the broader will be the selection basis.

It is undemocratic in the extreme to insist upon the possession of a private fortune as a condition precedent to entering our foreign service. The changes established by the new legislation are modest. And yet experts say they represent by far the most important and far-reaching step in the history of our foreign service. I do not think I can stress too much the importance of the legislation to the United States. Its enactment means that instead of having the merely good foreign service which has been ours, we shall possess incomparably and admittedly the best in the world.

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The Truth About Grain "Gambling"

By JAMES E. BOYLE, Ph.D.

Professor of Rural Economy, Cornell University

(In Two Parts—Part Two)

WHAT social service, if any, does future trading perform? What are the evils of the system? Are these evils inherent or incidental? And, finally, is our present system of future trading on the organized exchanges worth all that it costs?

In the preceding article the various functions of future trading were discussed briefly. If these functions could be reduced to two general services to society, then I would say they are these: Price Barometer; Hedging.

Price Barometer.—Future trading in wheat, on the organized exchange, registers a price, but does not make a price. Orders from a thousand or fifteen hundred buyers come in over the wires and meet in the pit orders from fifteen hundred or a thousand sellers. The meeting of these two forces is sometimes called the equilibrium, or balancing, of supply and demand.

To add a little more support to the market there are the pit scalpers, a noisy group who are in and out of the market during the day, but quit at the close of the day with no open trades. That is, they have bought and sold the same amounts. There are also a few "professional speculators" who buy to hold for a few days or weeks before selling again—or sell to remain short till the market works downward.

In the last analysis it is market opinion, backed up by actual buying or selling orders, which makes market prices. "Supply" and "demand" must be understood as these psychological things rather than concrete, physical things, in order to account for market price and price fluctuations. As the weathercock shows the direction of the wind, as the mercury in the tube registers the temperature, so does the market price register the pressure of supply and demand. Buying and selling orders are the real market forces.

These invisible orders meet at a point, a focus, in the pit, and the momentary equilibrium thereby established is registered by the thing called "price." It is a changing equilibrium because the forces of supply and demand are constantly changing. These forces are in a state of flux because they must momentarily be adjusted to new facts and new opinions. When you remember, for instance, that on the trading floor of the Chicago Board of Trade there are one hundred

fifty telephones and one hundred fifty telegraph instruments, it becomes clear that the market news is gathered with the utmost rapidity from all parts of the globe. Theories, views, forecasts, estimates and opinions are constantly checked up with the new facts.

Some of the farm leaders pooh-pooh the idea of futures being a price barometer. "What about a barometer," they say, "to which Big Business and the Big Speculator apply ice in the summer time and a match in the winter!"

A paper published in Washington by a United States Senator made the same claims recently, mentioning as evidence that the price of wheat some months ago had dropped forty cents in forty-eight hours. This is interesting if true. But an examination of wheat prices for the date named showed that wheat prices had not dropped forty cents in forty-eight hours, nor even one-half of that amount.

Daily Price Range Is Small

THE USUAL daily range in price is some two or three cents. A ten-cent range in price in one day is a very rare occurrence. However, before the days of future trading a ten-cent drop or rise in price in one day was a very common thing.

It is difficult to test the accuracy of this price barometer, for we have no means of knowing what the demand side of the market is. And we have very incomplete knowledge of the supply side. We now depend, and must always depend, very largely on estimates of the supply and estimates of the demand, in other words, on "opinions."

One broad fact stands out above all cavil and all disputes. The price of wheat in the Chicago pit year after year has always gone up when the world crop was short—and has always gone down when the world crop was big. So far as "demand" factors have been measurable they have always registered their natural influence on the pit prices. Thus the big slump in export demand in 1920 was followed by a corresponding drop in price.

Can artificial influence make this

barometer register fictitious or unnatural prices? Yes, for a brief time and to a small extent. No, not for any considerable time or amount. The man or combination of men would not be strong enough to override the facts in the world's market news. They would be crushed in the attempt.

Is the speculator an "artificial" influence, depressing at times the price barometer? If all speculators were combined, and hence all cooperated in depressing the price, doubtless this would be a stark and brutal example of "artificial" influence.

But an actual analysis of several thousand speculative trades shows that the speculators are almost evenly divided between bulls and bears. Thus their large number becomes an element of safety rather than a danger, just as the larger the number of estimates of the length of the stick, the more nearly accurate the result becomes.

In short, the facts go to prove that future trading is a fairly accurate price barometer.

An accurate price barometer, indicating what grain values will likely be four, six, ten months in advance, is of vast importance to all those who have money invested in the producing, handling, storing, milling, processing or exporting of grain. Here are total investments of many hundreds of millions of dollars, all of which are directly or indirectly benefited by this foreknowledge of market values. This element of certainty in place of uncertainty, of knowledge in place of guess, has a stabilizing influence which reduces the costs of doing business in grain, and hence confers part of the benefits on the ultimate consumer.

Hedging.—Hedging is insurance against loss from price changes. Like all other insurance, the coverage is not usually 100 per cent perfect. But if the prices of cash grain and the futures move up and down exactly together, the insurance is complete.

The technique of hedging is a little difficult for the layman to understand, and will not be explained here. But the economics of it is simple enough. The commonest example of hedging is that by the country elevator buying cash grain (and paying the farmer cash for it), then selling a future against it. If the elevator manager has bought 5,000 bushels of cash wheat and sold 5,000 bushels of May wheat, his accounts balance, or approximately so. If his custom is to do business on a four-cent margin, allowing himself one cent profit and three cents for over-



The difference between the wheat trade and the wool trade



2,000 Miles of Pleasant Driving All Roads Paved—All Interesting

Do you know that fine roads are available through this delightful region, north of the older east-and-west highways? Whether you are planning your main route through this section or another, plan to drive into this charming summer playground at some point—any place between Toronto and Chicago.

The Lake Erie-Niagara Falls Trail: From Toronto to Niagara and Buffalo—each of the three a center of a great vacation territory—is but the beginning. Through the lakes and resorts of western New York and of Northern Ohio are hundreds of attractions on both main routes and by-paths. Cleveland is another inviting point; many famous beaches and lake resorts are in easy reach as you drive on to Toledo and the north. At Detroit are innumerable playgrounds, and here is the door to the wonderland of Michigan resorts which you reach by The Michigan Trail. Any of these cities will easily provide a week's—or a fortnight's—delightful vacationing.

Drive into this big vacation territory any place from Toronto to Chicago, and in whatever direction you go you will find beauty and pleasure.

There are Three Statlers on Your Route

At Detroit and at Cleveland are thousand-room Statler hotels which will welcome you. At Buffalo is the newest Hotel Statler (1100 rooms, 1100 baths) which is the finest of them all. Just across the street from it is the new 300-car Statler Garage, with all the conveniences that can be built into the newest type of service garage.

In Buffalo, Cleveland or Detroit you might well make The Statler your headquarters and spend some time in the vicinity of each city.

There's a Statler in St. Louis, too, if you go to the Southwest—and Hotel Pennsylvania at New York (the largest hotel in the world) is Statler-operated.

Statler Service is Guaranteed

We guarantee that our employees will handle all transactions with our guests (and with each other) in the spirit of the golden rule—of treating the guests as the employee would like to be treated if their positions were reversed. We guarantee that every employee will go to the limit of his authority to satisfy you; and that if he can't satisfy you he will immediately take you to his superior.

From this time on, therefore, if you have cause for complaint in any of our houses, and if the management of that house fails to give you the satisfaction which this guarantee promises, the trans-

saction should then become a personal matter between you and me. You will confer a favor upon us if you will write to me a statement of the case, and depend upon me to make good my promise. I can't personally check all the work of more than 6,000 employees, and there is no need that I should do so; but when our promises aren't kept I want to know it.

My permanent address is Executive Offices, Hotel Statler Co., Inc., Buffalo.

Emory

This Tour-Book is Free—Ask For It

Both the Lake Erie-Niagara Trail and the Michigan Trail are mapped, with running directions and other information, in a useful and interesting booklet which you can have for the asking.

TEAR THIS OUT AND MAIL IT
To Hotel Statler, Executive Offices, Buffalo, N. Y.
Please send me the Booklet on vacation tours.

Name.....
Address.....

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BUFFALO: 1100 rooms, 1100 baths, Niagara Square. The old Hotel Statler (or Washington and Swan) is now called Hotel Buffalo; and the old Ingersoll Hotel is closed, not to be open.
CLEVELAND: 1200 rooms, 1000 baths. Euclid, at E. 12th.
DETROIT: 2000 rooms, 1000 baths, Grand Circus Park.
ST. LOUIS: 650 rooms, 650 baths, Ninth and Washington.
BOSTON: Now preparing to build at Columbus Ave., Providence and Arlington Sts.

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HOTELS

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The largest hotel in the world—with 2200 rooms, 2200 baths. On Seventh Avenue, 320 to 330 Streets, directly opposite the Pennsylvania Railway Terminal. A Statler-operated hotel, with all the comforts and conveniences of other Statlers, and with the same policies of courtesy, intelligence and helpful service by all employees.

Every room in these hotels has private bath and running ice-water; in every room is posted its rate, printed in plain figures.

When writing to STATLER HOTELS please mention the Nation's Business

head, he will buy cash grain and sell futures at a spread representing this four cents.

Assuming that the cash price and future price move exactly together and the market falls five cents a bushel, what will be the effect on the country elevator man who is hedged? He will sell his cash grain upon arrival at the terminal at a loss of five cents a bushel; then he will buy in his future wheat at a profit of five cents.

For it is obvious that if he has sold his future at, say 115, and buys it in at 110, he is ahead five cents a bushel on it. In this typical case the elevator man is insured against loss by price decline, or against gain by a rise in price. He only gets his "trading profit," which is here assumed to be one cent a bushel.

The five greatest hedgers are the country elevator, the terminal elevator, the exporters, the millers and the grain industries (oatmeal, corn products, etc.).

The miller can contract a year ahead with the wholesale baker for his flour and then hedge himself by buying a corresponding volume of wheat futures. Yet on none of these contracts will the miller take wheat. He does not want "contract wheat." He blends particular varieties of wheat which he buys in the cash grain market from day to day, from the actual samples displayed on the tables there. To keep his books balanced, to avoid speculation, he must, of course, sell out his future contracts as fast as he buys his cash wheat.

Or again, in the fall when wheat is moving heavily to market, the large millers will buy considerable cash grain and put it in their own storage. Some millers can store as much as 200,000 bushels in their private bins. To hedge this cash grain, a future (May wheat) is sold against it. As it is milled and sold in flour, the future is bought in.

The big fact about hedging is that it eliminates the miller's risk, and thus enables the miller to work on a very narrow margin of profit. The risk is shifted to the shoulders of the speculator who wants to bear it, and hopes to profit thereby. And so also with all other handlers of the grain, who desire to shift the risks.

An interesting but extreme case of the meaning of hedging came to my attention in the year 1917, in connection with the famous May wheat flurry of that year. The allied wheat buyers of Great Britain had bought more high grade wheat ("contract grade") for May delivery in Winnipeg than there was in Canada. A similar situation existed in Chicago.

Late in April the shorts began to look for a way to fill these contracts, by buying in the contracts or getting hold of wheat. Since the allied buyer was not selling contracts, the contracts of necessity remained open. The scramble of the shorts for the upper grades of wheat (lower grades were not deliverable on contracts) put the price up above \$3.00.

Future trading in Winnipeg and Chicago was suspended for a few days by agreement of the various interests involved, till a fair compromise could be worked out with the shorts, whereby they could deliver certain lower grades at a stated discount. At this period a certain North Dakota country elevator which had been doing business for years on a margin of one cent a bushel, raised its margin to seventy-five cents a bushel! In other words, lacking opportunity to hedge in the future's market for a few days, it hedged by paying the farmers seventy-five cents a bushel less than it had heretofore.

It is also interesting to recall that during this same crisis all the country elevators belonging to the Saskatchewan Farmers' Cooperative Elevator Company hedged by the rather heroic measure of closing their doors and stopping all buying till the future's market opened again in Winnipeg.

Hedging accounts for the significant fact that grain is now handled on the lowest margin of any farm commodity in America.

Hedging means stability of investment in the various grain industries.

Hedging means greater stability of prices. Wheat and wool are two commodities with many points in common: both are produced in many widely scattered countries; both are staples of commerce; both are highly standardized and carefully graded; both may be stored for long periods. In wheat there is fu-

ture trading. How significant, therefore, is the following statement which appeared in the United States Government's Daily Commerce Reports for November 26, 1920:

A Clearing House for Exchange Futures at Antwerp

The need of insuring the Belgian purchasers of foreign goods against futurity losses produced by excessive exchange fluctuations has caused the foundation at Antwerp of a clearing house for dealing in foreign exchange futures . . .

How familiar those words sound, "insure against loss" by means of "futures."

For the same reason a Butter and Egg Exchange was formed in Chicago in 1919, and was soon followed by a similar one in New York City.

And similarly our commercial papers report the founding of an exchange in New Orleans in November, 1923, for future trading in rice. The millers, dealers and farmers who organized this exchange give as their reasons the following:

1. Make rice a more liquid commodity;
2. Stabilize rice prices;
3. Provide means for hedging.

Not only are these three purposes typical, but also the founders of this exchange are typical of the interests which started future trading in grain and cotton. Future trading was not started by gamblers and speculators, nor indeed by the so-called middlemen. But

these institutions were established primarily by those with investments in the business which they desired to protect.

The best and cleanest example of this is the Liverpool Cotton Exchange, that magnificent institution which has had such a long and honorable record of service to the cotton merchants, the spinner and the planters. The story of this exchange, as recorded by one of the great British cotton merchants (Thomas Ellison, the Cotton Trade of Great Britain, London, 1886), points out the simple truths of hedging in these words: "The establishment of the system of selling futures led to a complete change in the method of moving the cotton crop from America to Europe. The risks incidental to the business were reduced to a minimum, and by and by the charges for conducting the business were greatly diminished."

Of course there is considerable future trading done off the organized exchanges, such as in beans, fruits, canning crops, and in the non-agricultural commodities, such as cement, furniture, cloth and steel. But the organized exchange brings all such trading out into the open, and subjects it to definite, known rules. Therefore there is destined to be a further increase in the number of organized exchanges.

Indeed, as I pen these lines, the newspaper announces the opening today in Chicago of an exchange to deal in paper. These young exchanges will doubtless have their growing pains and diseases of childhood, but they will finally find their places.

The great evil in future trading has been and is speculation by the unfit. Our Supreme Court in the Christie case upheld speculation, that is, speculation "by the competent." And no other kind of speculation can be defended



ture trading—in wool, not. Wheat has, therefore, a "wide market," wool a "narrow market."

When the post-war deflation hit the Michigan farmer in 1920, his wool dropped in one year from sixty-five cents to four cents a pound, deflation to the tune of about 94 per cent. During the same time his wheat dropped from \$2.50 to \$1.50 a bushel, a deflation to the extent of 40 per cent.

Speculators were not buying wool, and nobody else was, because they could not hedge it. Speculators and others were buying wheat, because they could hedge it. The drop in wool was sudden and violent; the drop in wheat was moderate and cushioned downward gradually.

The hedging feature of future trading accounts for the tremendous spread of future trading during the last few years in all great commercial countries.

What prices fluctuate more than those for foreign exchange since the war? These fluctuations mean annoyance, uncertainty and loss



Why these acknowledged leaders in "short-haul" service *standardize* on Pierce-Arrow Trucks

In the traffic-choked streets of New York City—along busy piers—at loading platforms—you see the trucks of the Motor Haulage Company, Inc.

Here, amid conditions which all but paralyze short-haul transport, this company has solved the "local-haul" problem—has made it *pay*—by the use of modern business science and Pierce-Arrow Motor Trucks.

Ten years ago, R. H. Matthiessen founded this service. He chose, after critical comparison, Pierce-Arrow Trucks.

Today this Pierce-Arrow fleet numbers 100 trucks—each one a known money earner. It is

the greatest "short-haul" fleet in America—the largest standardized fleet in New York City.

* * *

Do you know what the silent, powerful Pierce-Arrow Dual-Valve Truck is doing in your line of business? Facts and figures are at your command. Why not ask our nearest distributor to call?

Chassis sizes: 2-ton, 3-ton, 4-ton, 5-ton, 6-ton, 7½-ton
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Chassis prices range from \$3300 to \$5400

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HEAVY DUTY MOTOR TRUCKS

When in Buffalo visit the Pierce-Arrow factory. Capable guides will show you how Pierce-Arrow Trucks are built.

or upheld as likely to be a benefit to anybody. Positions of trust are generally barred to those who speculate.

Speculation must be left to those who are "fit." "The people hath spoken!"

Since a speculator may enter the market by putting up a ten per cent margin, this makes it easy for the lamb with a hundred dollars to try his luck.

The Chicago Board of Trade (where 85 per cent of our future trading in grain is done) ought to eliminate the unfit from its customers. Or, speaking with a little more accuracy, since the Board itself has no customers and does no trading, the Board as a corporation, with sixteen hundred members, ought to have a definite policy in the matter of speculation for each and all of its members, and this policy should be promulgated widely and enforced strictly. This policy should state two things: (1) The good of speculation, and the classes of persons from whom speculative trades are wanted; (2) The evils of speculation, and the classes of persons from whom no trades will be accepted under any conditions whatsoever.

This class of "unfits" should include all persons in positions of trust, such as cashiers, bookkeepers, bankers and so on; also, it should include all those who for family or other reasons cannot stand the financial losses in which they are exposing themselves. The Board of Trade officers are more familiar than anybody else (alas, they are too familiar!) with cases of ruined families, broken homes, defaulted cashier or banker and even suicides

—all traceable to speculation in grain. These facts should be sternly faced in a constructive spirit.

The Board of Trade should defend speculation by the "fit." It should invite to speculate those persons of brains and income who actually have a surplus for speculative investments. The hundreds of millions of dollars now going into dry oil wells, wild Mexican lands, phantom rubber plantations, etc., might be diverted in part to buying the farmer's grain.

The Board of Trade never has formulated or announced any policy on speculation. The most hopeful sign in that quarter is the farewell address of the 1922 president, Mr. Robert McDougal. He had enough iron and granite in his soul to make him a strict administrator; enough religious zeal to give him a vision of the possibilities of the future of the Board of Trade. He announced the problem of the speculative policy, and suggested a solution. But the matter still rests there.

The Government has stepped in with its crude, bungling "Grain Futures Act," and is blindly groping after some sort of a solution of this same problem. This Act drives out of the market, frankly and intentionally, the "big speculator." But it is the lesser speculator, not the big, who is incompetent, who is unfit, and who should be kept out. Thus the Act is inept and wholly harmful to the farmers themselves who want a wide market.

The Government can never solve this problem. The Government can do one big thing, but it is not provided for under this Act.

The Government could treat the members of the Board of Trade who handle speculative trades as it now treats national banks—hold them to strict accountability as to their financial condition; require certain reports to that end; examine their accounts, particularly the personnel of their customer lists.

This would strike at the root of two evils—extending too much credit and otherwise becoming insolvent (and some houses are insolvent many months before the fact becomes known to the public); and secondly, the taking on of "unfit" customers. A check-up of a few names might possibly reveal that of a cashier or banker. Aside from this degree and kind of supervision, it is doubtful whether government "regulation" will do more good than harm.

The eighteen directors of the Board of Trade have it in their power to curb the evil and preserve the good in their system. They can expel the recalcitrant member. They can make the members worthy of that good, old-fashioned name of "grain merchant." There are a few who could not qualify now.

The evils in the system are incidental, not inherent.

Judging by the progress made by the Board of Trade in the last seventy-four years of its life, in facing its problems squarely and coming to grips with major evils successfully, one is justified in believing that during the next fifteen years the incidental evils of speculation itself will be solved.

But even as now conducted, the system is worth a great deal more than it costs.

A Business Innocent Abroad

He Makes a Visit to Monte Carlo

By HENRY SCHOTT

IN OR about Monte Carlo.

All of my life I have put the brakes on my gambling instinct, awaiting patiently the day I should burst on the Casino at Monte Carlo. I mean "burst" in the sense of a spectacular entrance, not as regards property values. From my earliest reading days I have overlooked few stories having to do with Monte Carlo, and I can say that in the years gone by it was an unusual romance that failed to carry its characters to the principality built by those who would take a chance.

Grand dukes, princesses, swarthy Spaniards, statesmen with single glasses, Argentines with millions, ex-kings and ex-queens, white-haired dowagers, adventuresses of title, ivory shoulders, gleaming teeth, demi-rops, ropes of pearls, international bankers, tendril fingers toying with masses of gold, louis d'or, thousands on one turn of the wheel—curses! Silence, and from the gardens below the gaming rooms the sound of a pistol shot. Another hopeless soul offered to Fortune!

I knew Monte Carlo as if I had spent years there—knew it inside and out. As we anchored, I identified the buildings, the gardens, even the hotels. Coming to Monte Carlo meant only a physical verification of what I had felt and lived in the good old novels.

The pretty little harbor with its steam yachts all anchored in precision, the quay, the streets winding up the side of the cliff, the soft pink and white hotels and villas—all spotlessly clean and in order—exactly as I had expected it. I knew where to go for my admission card, where to leave my coat and hat, and where to turn into the great playing rooms. The vaulted ceilings, the black-coated attendants, the tables crowded with players—all as I had pictured it; everything very familiar, nothing new to me, a hardened old book student of Monte Carlo. Let me to it—

grand dukes, adventuresses, louis d'or and all.

And then came my great awakening!

Storekeepers from Nice, taking a night off; hotel clerks from Mentone trying their luck after dinner with a friend who had just leased a cafe in Monte Carlo; rug dealers who happened to be in town on their weekly trip along the Riviera; the man who has the newsstand privilege in a big hotel thirty miles across the Italian border; the owner of the most modern laundry and cleaning and dyeing establishment on this Azure Coast; old Dad Spillani, who used to pull the Rome express on this division and made a little pile in a war deal—they and many others of their honest, industrious class—made up the players.

And their wives and daughters and friends of the family.

NOT a grand duke—not even an ordinary duke. No princesses, no stealthily gliding, slinking adventuresses, no white-haired diplomats blazing with ribbons and decorations. No—no evening dress except that worn by the American tourists ashore from the ship. No tiaras, no priceless strings of pearls, no—

The soft clink of gold? Not enough in all the rooms to run a one-chair barber shop a week. No gold at all. You bought chips just as you would in a game over the garage in Hazelnut City. Thousands at a turn? Tables bore placards announcing that the minimum play is ten francs, others twenty francs, meaning that at the rate of exchange one may take a whirl for fifty cents. You know what they would do to you down at Billy Morris's Smoke Shop if you tried to break in with a half dollar. They wouldn't even laugh at you; they

would try to ignore you without going to the trouble of showing it.

I went out for air. I needed air—fresh. The architect who designed the rooms in the Casino forgot all about air. Smoking is not permitted; but the smoke is there; the players carry it in with them. Also various perfumes. Nothing quite like it for many years in my experience. Once, as a boy, I spent a winter afternoon in the tepee of an Indian with a large family and a lively fire under a pot in which some things had been cooking for a day or two. The old chief was operating a sweat shop, a tannery and a kitchen all under one tent.

Also I saw "Captain Swift" from the top-most gallery on a warm, wet June night. Most of us had stood in line in the rain. It was a crowded gallery. Those two times and the Casino. I stuck out the Indian lodge and the gallery, but not the Casino.

It was overpoweringly depressing—the crowd, the atmosphere, the rooms themselves. Architecturally the interior is palatial, as the scene painter for a second-string musical comedy understands the term. Chocolate and vanilla ice cream soda columns. Mural paintings of fat ladies with and without. The most grotesque are the ones wearing clothes. From the standpoint of art not one of them would pass the hanging committee of a street fair. All of it weighed so heavily on me, the traveler who had come willingly, seeking the great adventure of his harmless life, that it was only with strong self-discipline that I could force myself to stay.

And it hurt, too, to see these fifty-cent players keep books on the wheel. What I had not read of systems and system players! The famous Labouchere play came near turning the trick if they had only stuck to it. Can be done yet, but patience is the first requisite.



This situation *would have been prevented* by using the *Specification Chart* !

A PARTNERSHIP agreement—an important document—with one vital clause rendered questionable because of a break at a fold in the Sulphite Paper used in executing it.

If the Specification Chart could have been consulted at the time this agreement was made, it would have saved considerable trouble, worry, and expense.

There are over one hundred and twenty-five different prices at which bond paper may be bought. This is confusing for it leads to the supposition that there are a like number of grades of bond paper. And there are not. Undue consideration may, therefore, be given to price—and price, rather than purpose, be allowed to sway judgment.

To avoid this, a man will too often sweep away all but one selection—one price, one grade, and one brand. This man unfortunately loses sight of the fact that if one grade of bond paper is suited to carry his letterhead, it certainly is not economically suitable for his factory or office forms—or if it is the right paper for a form, it is not the right paper for the letter-sheet.

Over five years ago the American Writing Paper Company recognized that the bond paper situation was like a ship without a rudder in that no true buying guide existed.

One of the first steps taken was to put its own house in order. Bond paper grades that were

duplicating in price, grade, or purpose, were ruthlessly eliminated.

This simplification and standardization of the manufacture and distribution of bond paper was carried to completion until now only Nine Grades are produced by us. These Nine Grades of Eagle-A Bond Paper scientifically and economically cover the entire field of Bond Paper requirements.

Each of these Nine Grades of Bond Paper is produced on a quantity basis, and reflects all the consequent economies of mass production and volume purchasing power. This is your assurance of buying Bond Paper at the right price.

In the accompanying Specification Chart, these Nine Grades of Eagle-A Bond Paper are grouped under three master classifications, and are further sub-divided according to the specific use for which each is produced. This is your assurance of buying the right Bond Paper for the purpose.

Each of the Nine Eagle-A Grades, which scientifically and economically cover the entire range of bond paper requirements, may be identified by the Eagle-A Watermark. Each Eagle-A Bond Paper should be specified by name. This definitely provides you with the right paper at the right price.

Eagle-A Bond Papers are obtainable through Printer, Lithographer, Engraver and Stationer.

Supplied upon request is a Portfolio containing samples of Eagle-A Bond Papers, with further suggestions covering their suitability for your use.

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Makers of Eagle-A Bonds, Linens, Ledgers,
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THE SPECIFICATION CHART OF BOND PAPER USES

Each of these nine grades of Eagle-A Bond Paper is produced on a volume basis, with all the resulting economy in manufacture and distribution.

The Controlling Factors in the use of all Bond Papers	PERMANENT			STAMP-MAKING			SPECIAL		
	Copy Bond	Agassiz Bond	Form Bond	Contract Bond	Airpost Bond	Chevron Bond	Acceptance Bond	Normal Bond	Telephone Bond
Chief uses of paper in modern business									
Letterheads	A1	1	2	3	4	5	6	7	8
Invoices	A1	1	2	3	4	5	6	7	8
Statements	A1	1	2	3	4	5	6	7	8
Checks				1	2	3	4	5	6
Drafts				1	2	3	4	5	6
Notes				1	2	3	4	5	6
Purchase Orders				1	2	3	4	5	6
Contracts	A1	1	2	3	4	5	6	7	8
Receipts				1	2	3	4	5	6
Inter Dept. Letters								1	2
File Copies								1	2
Acknowledgments				1	2	3	4	5	6
Price Lists				1	2	3	4	5	6
Mortgages	A1	1	2	3	4	5	6	7	8
Deeds	A1	1	2	3	4	5	6	7	8
Stock Certificates	A1	1	2	3	4	5	6	7	8
Policies	A1	1	2	3	4	5	6	7	8
Inventory Forms								1	2
Requisitions								1	2
Mfg. Orders								1	2
Receiving Reports								1	2
Stock Reports								1	2
Time Slips								1	2
Memo Slips								1	2
Reference Booklets								1	2

KEY TO ABOVE CHART

A1—Extra First Choice 1—First Choice
2—Second Choice 3—Third Choice
*Recommended for Offset Lithography

Four factors are considered in the above classifications:
(a) Appearance, (b) Long Life, (c) Printing qualities, (d) Profitability (holding its price in mail and in distribution). First choice provides maximum protection; others a slight sacrifice of one or more of the factors.

Contract Bond A specially fine grade, Pale Leaf Dried Paper, made from new white hard rags. Will retain strength and color indefinitely. Specially impressive in appearance, with the "leaf" and crackle found only in the very highest class of Bond Papers. Made in White and Six Colors.

Agassiz Bond A High Grade, Pale Leaf Dried Paper containing a very high percentage of the best new rags. Clear white in color, of impressive appearance, and designed for general use where a very substantial paper of extremely long life is desired. Made in White only.

Form Bond Pale Leaf Dried Paper of High Rag content, having much the appearance of higher grade bonds. A popular paper combining quality appearance with moderate price. Will last for a generation. Made in White and Three Colors.

Contract Bond Pale Leaf Dried Paper of substantial Rag content with high tenacity of long life and resistance to wear, smooth finish, and particularly adapted to Offset Lithography. Made in White and Eight Colors.

Airpost Bond Finest Leaf Dried Paper with much of the strength and rich appearance of a higher grade paper. It combines Quality Appearance and moderate price. Made in White and Six Colors.

Chevron Bond Pale Leaf Dried Rag content Paper. Maximum Bond Paper capacity. Smooth finish. Especially adapted in high speed Offset Printing. Made in White only.

Acceptance Bond Air Dried Rag content Paper with a rich surface appearance, and clear white color. In great demand for large edition work on forms, circulars, letters, etc., because of its low price and wide range of colors. Made in White and Seven Colors.

Normal and Telephone Bond See Sulphite Pulp Papers, recommended to be used for temporary purposes only. Made in White and a wide range of colors adapted to Factory and Office Forms. Normal Bond is a No. 1 Sulphite Grade. Telephone Bond is a No. 2 Sulphite Grade.

A inspection of your letterhead will bring a copy of this chart and the booklet "The Correct Use of Bond Papers."



EAGLE-A

Bond PAPERS

When writing to AMERICAN WRITING PAPER COMPANY please mention the Nation's Business



When one of your dealers becomes delinquent, you have two guesses—

He is either *dishonest* or he is *in trouble*! If dishonest, he has every advantage of you and you need our expert service—quick.

If in trouble, he needs help, expert help, which only an organization as big as the United of Louisville can give—before he can pay you.

When you send his case to us we have one tremendous advantage, we do not have to *guess* at his status. We either know your debtor personally, from actual contact, or have his commercial history in such elaborate detail as to definitely guide our procedure. The extent of our official acquaintance is amazing to one unfamiliar with the scope of our operations.

Upwards of four thousand national distributors regularly clear their overdue accounts through us. The habit is catching because it is convenient, modern, thrifty—if you should get it, it will relieve you of considerable detail and save you money. Start it before you leave on your vacation.

UNITED MERCANTILE AGENCIES

Louisville, Kentucky

United Building

Collectors for Manufacturers
and National Distributors



And the Roslyn syndicate! If they hadn't fallen out among themselves. Libraries have been written on roulette systems; years and years of study by mathematicians of name.

But who is going to sit at a table twelve or fourteen hours a day entering numbers, checking off, watching every turn, with a fifty-cent unit play? Exactly what they do, generally in pairs, with all of the earnest concentration of a bank teller who is out eighty-one cents in his balance and half an hour overdue at a tennis match.

Those system players—and all of the regulars seem to be doing this accounting work as a side-line—add to the gloom, the grief. It seems so sadly futile. They could make so much more as checkers in a live lunch room.

he insisted. And that's the glittering pageant of the world's greatest gambling halls since the war. I look for candy raffles and paddle wheels there next year.

OF COURSE, there are many, many thousands of people suffering under the burden of excess money who still come to the Mediterranean resorts and who gamble. Also there are other casinos along this coast. It's a poor little nest on the French part of this coast that hasn't one. But these people of surplus money almost all lay claim to fashion, and they simply will not wear their smartest wives to the Casino when it has been thrown open to the 100-franc stratum.



I WENT to my friend who has infested the Riviera for many years.

"Here's a little advice. If you or any of your friends own stock in the company that controls the Casino," I told him, "get out—get out now, even if you have to take a loss. That place is slipping—fast. With its overhead it has to have volume, turnover that doesn't show today. Just in a few years, from grand dukes to barbers, louis d'or to fifty-cent markers—"

He stopped me to explain that everyone in Monaco realized the change had really come; that the profits on the Casino itself had suffered sadly in the last few years; that the present prince had seriously considered cancelling the gambling concession.

The slump in the Casino's gross and net came with the outbreak of the war. First the gold disappeared. Almost overnight the louis d'or was supplanted by the marker. Very shortly after, the grand dukes disappeared; they are almost extinct; and they have no trouble whatever in finding an outlet for their funds. The management saw its best market going, going, gone. Create a new consumer demand, in the advertising argot. The bars were let down; any well educated person, not a Monacan citizen, with a hundred or two francs, meaning five or ten dollars, was welcomed on payment of a few cents admission. He could wear evening clothes if

"So the administration recognizes that," my knowledgeable friend explained, "and we now have a new gaming place in Monte Carlo exclusively for our best people. I said 'exclusively' and that's the word—it's very, very exclusive."

Then he went on to tell me how restrictive was this latter institution. An unostentatious building on a side street, without even a garden for pistol shots. Modest, half hiding between two great hotels. If I had only been fore-handed enough, he said regretfully, to bring a letter from the secretary of my club at home, providing it had a world-wide reputation, then the International Sporting Club of Monte Carlo would gladly grant me the courtesy of a guest card. That was the only way, unless I should want to wait a few weeks until action could be taken on my application for membership.

THERE are many things in my gray life that I want to forget, and want my charitable friends to forget—a great many. But so far I cannot be charged with having asked for a letter of introduction to a gambling house. That challenge of exclusiveness, however, stung me. Besides, if royalty and adventuresses were losing their money in a new place, I wanted to see them do it.

That was the main reason for my visit to



AND THE DREAM CAME TRUE!

The story of the amazing growth of the automobile industry and the men who helped to make that growth possible

THE swift development of the automobile is one of the amazing romances of American industry. The impractical toy of thirty short years ago has become the most indispensable means of modern transportation. The pioneers of the early nineties have lived to see their "horseless carriages" flow in unbroken streams along the highways of the world.

In 1899, only 3700 automobiles were made in the United States. In 1923, more than four million passenger cars and trucks were produced, swelling the total number of cars in active service to more than fifteen million—one for every seventh person in this country.

This is the romance of growth.

But there is another—the romance of men who have helped to build the industry—the romance of urgently needed skill taught in spare hours at night and applied by day.

A new opportunity loomed large on the horizon of business. At the bench, at the drawing board, in the shop, in the office and on the farm, there were men who could vision a whole new means of transportation and in its development thrilling futures of achievement for themselves.

The vital need was technical training. But where were they to obtain it? They

could not leave their work to go to school—the school that was to help them must come to them.

And it came! It made their spare time the hours of study. It provided practical textbooks. It brought them by mail, wherever they might be, the kindly understanding counsel of experienced teachers. It cleared up at night the problems of the day. It encouraged; it inspired.

It was inevitable that as the automobile industry grew, such men should grow with it, in capacity and responsibility. Ambition and perseverance—*plus the trained mind*—marked them for success. To-day many of these men are the recognized leaders of the industry. Some of them are listed in the panel at the right. The positions they hold are an indication, first, of the character of the men themselves; second, of the character of the training they received when they laid the foundations of their careers.

No other educational institution has trained or is training so many men for success in the automobile field as the International Correspondence Schools. Not only has it made possible satisfying careers for thousands of individuals, but it has made at the same time a definite, constructive contribution to the development of the automobile industry.

These prominent automobile executives were once students of the International Correspondence Schools

JESSE G. VINCENT

Vice-President of Engineering, Packard Motor Car Company. Designer of the Packard "Twin-Six" and co-inventor of the Liberty Airplane Motor.

WALTER P. CHRYSLER

Formerly President and General Manager of the Buick Motor Company; First Vice-President in Charge of Production, General Motors Corporation. Now Chairman of the Board of the Chrysler and Maxwell Motor Corporations.

E. V. (Eddie) RICKENBACKER

America's flying ace, Vice-President and Director of Sales, Rickenbacker Motor Car Company.

MAX H. THOMS

Supervisor of Inspection, Nordyke and Macdon Co.

J. V. WHITEBECK

President of the Cleveland Automobile Co.

HIRAM WALKER

Chief Engineer, Chandler Motor Car Co.

HERMAN T. KRAFT

Chief Aeronautical Engineer, Goodyear Tire and Rubber Co.

E. J. HALL

Vice-President and General Manager, Hall-Scott Motor Car Company. Co-inventor of the Liberty Airplane Motor.

J. R. HALL

Vice-President and Factory Manager, Chandler Motor Car Company.

JOHN MOORE

Chief Engineer, Lexington Motor Company, and designer of the Ansted Engine.

OTTO LOESCHE

Chief of the Experimental Department, Lexington Motor Company. Mr. Loesche machined and built the first model of the Ansted Engine invented by Mr. Moore.

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Scranton, Pennsylvania

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When writing to INTERNATIONAL CORRESPONDENCE SCHOOLS please mention the Nation's Business



Martinsburg's New Hotel

How Modern Hotels Are Financed

How long must YOUR town struggle along without modern hotel facilities?

Only until the business and civic leaders (members of the Chamber of Commerce, no doubt) of your community arise and set on foot a movement to secure a new and modern hotel.

That's how the people of Martinsburg, W. Va., did it. And in one week's time!

Under Hockenbury direction, \$355,700 in securities were sold to meet an objective of \$250,000! The hotel shown above is the result!

YOUR town can profitably follow Martinsburg's example and the example of more than 60 other progressive cities.

If your town needs a modern hotel, ask us to place your name on our complimentary list, "C-7," to receive each month a copy of THE HOTEL FINANCIALIST, a journal devoted to the subject of community hotel finance.

The HOCKENBURY SYSTEM Inc.
 • Penn-Harris Trust Bldg •
 • HARRISBURG-PENNA •

Monaco. I walked by the mysterious building four or five times, went to the entrance twice and turned back. I am somewhat diffident and hate being thrown out of places. At last I closed my eyes and blundered in. The secretary's office? This way, please.

The secretary was glad to see me, and I began the preamble, the introduction and the syllabus of my argument as to why the rules should be waived this one time, and I should be permitted this one time to be a visitor to the institution that had superseded the Casino so far as the smart people of this world were concerned.

The secretary cut me off short. It was a card I wanted? Good, here's the card, in return for which I would give him something like a dollar. All settled; walk right in and play as long as my money lasted.

Exclusive? As exclusive as a dairy lunch. The air was better. Architecturally there was nothing to indicate that a confectioner had designed or decorated the rooms. The players—at least half of them were women—looked and dressed as if they had had money before the war. I saw no dukes or princes, at least none apparent as such to the naked eye. I did hear one out-doors-looking woman say she was having Connaught at dinner, and I was glad to believe her.

They work shorter hours at the sporting club than at the Casino. The day shift does not go on until 4 in the afternoon. A few minutes before, all the dealers, croupiers, watchers and floor men—I figure about eight men to a wheel—are lined up on the floor below to march single file through the hall to the gaming rooms. Long black coats, black cravats, everything except the white gloves. The coats are buttoned, and there are no outside pockets. The coats cover the trousers pockets. No chance for chips to jump off the table into an attendant's pocket. Chip would have to climb up under the coat to find a resting place in the trousers. Those pocketless, tightly buttoned frock coats—once familiarly termed Prince Alberts—prevent accidents.

The play at the sporting club is larger than at the Casino. Minimum stakes are about double, and the individual ventures are more liberal, but no great estates were being

wasted away while I graced the place with my presence. Nor did any international beauties wander through the rooms seeking whom they might devour. You'd see the same lot of people at the country club on Saturday afternoon at 5 o'clock. As to the play—should the crowd that does its winter speculation in the Florida resorts ever drop into Monte Carlo's sporting club in force, there would be a riot call.

THE TOWN itself is a picture of luxuriant public gardens and immaculate streets and buildings. They must scrub the whole place, front sides, top and bottom, every night. The people themselves, the horses, the carriages, the policemen, the children on their way to school, look as if they had just been given the last touch of polish. Everything shines with cleanliness, neatness. If I could only forget the Casino.

As my friend told me, the Prince of Monaco has considered cancelling the gambling privilege. It brings the government about \$400,000 a year directly and more in side lines. The citizens don't know much about taxes, and in the fifty years of more since the gambling privilege has existed, the town of Monte Carlo has been developed from an insignificant little village to a beauty spot with a bad name. As a simple matter of business it might fare better from now on with the recognized official gaming put to an end. Besides, the concessionaires are not reaping the great profits of the good old days; in fact, I don't see how they pay expenses. Example: Two hundred of the *Lapland's* passengers went ashore to play at the Casino. I interviewed 178 of them after we left the port, and of the 178 exactly 178 had won amounts ranging from 316 to 20,000 francs each. No game can stand a drain like that indefinitely.

Yes, I won. Let me tell you about it. I bought a five-dollar stack and put ten francs on 17. The very first turn—No? You haven't time now to hear about it. Well, some other day, perhaps. Very interesting; it's a system.

A steward was one of those charged with having won 20,000 francs. He came on board the next day with a black eye.

Saving on Paper: a Reply to Governor Pinchot

IN AN article in the May issue of THE NATION'S BUSINESS Governor Pinchot makes the

statement that "the government of Pennsylvania is costing its people \$40,000 less every working day than it did two years ago."

The fiscal period of the state covers two years, and if the governor is correct, we will save in that period \$24,000,000. As state treasurer, I should be only too glad to verify the governor's statement if it were supported by facts; but a survey made by expert accountants covering the first seven months of the present fiscal period shows that, instead of saving \$40,000 each working day, we are spending at a rate of \$37,000 more each working day, and this expenditure is exclusive of any payments on the existing appropriation liability of \$29,000,000 to which the governor refers in his statement.

Expenditures to run the government of Pennsylvania are made from the general fund and from special funds, of which there are now more than thirty. Special funds receive moneys from particular sources, such as motor, game, fish and dog licenses, and these are available for departmental expenditure under blanket appropriations.

Two years ago we spent \$113,863,000 from

By CHARLES A. SNYDER

State Treasurer of Pennsylvania

the general fund. For the present period we have appropriated \$112,600,000 payable from this

fund. Two years ago we spent \$37,770,000 from the special funds. At the present rate of expenditure, averaging seven months, we will spend \$61,293,000 from the special funds during the present period. While the present administration shows a gain of \$1,263,000 on the general fund, it at the same time shows a loss on the special funds of \$23,518,000.

The governor's figures are undoubtedly compiled from decreases in certain appropriation items payable from the general fund, for these decreases approximate the \$24,000,000; but the state does not save this money when it simply shifts the expenditure from the general fund to existing and newly created special funds.

In 1921 the legislature appropriated to the department of highways for overhead and road construction \$12,000,000 payable from the general fund. The legislature of 1923 gave this department nothing from the general fund but increased the revenues of the special motor license fund which this department expends. At the present rate, this department will spend \$16,000,000 more from this special



What does your banker think of the motor car?

THE president of an Arkansas bank writes:

"The motor car, to my mind, has been the greatest asset in the way of development for suburban and small country homes, necessarily meaning the prolonging of life and a greater increase in happiness.

"I have often advised customers of mine to buy motor cars, as I felt that the increased stimulation and opportunity of observation would enable them to earn amounts equal to the cost of their cars.

"In other words, a man who works six days in the week and spends the seventh on his own doorstep certainly will not pick up any dimes in the great thoroughfares of life."

A booklet will be mailed you, if a request is directed to the Department of Publicity, General Motors Corporation, New York

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INSURANCE LESSONS are used constantly by the men who sell for the Connecticut General. Realizing the need for rugged wearing quality and the ability to retain good looks under continuous punishment, the Company chose Molloy Made Loose-Leaf Covers.

They are of tough, durable, leather-like material which withstands rough treatment. They stand out from the mass, compelling attention and respect—unequalled for catalogs, sales manuals, price lists, sales photograph albums, etc.

These covers can be furnished with rings, string attachments, screw posts, or practically any other type of fastener you may desire.

Let us have details as to size and subject matter of the loose-leaf book you are planning, or a few sheets from your present one. We will submit suggestions and cooperate with you to produce loose-leaf covers of character at a surprisingly moderate cost.

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fund during the present period. Therefore, we not only fail to save the \$12,000,000, but also spend \$4,000,000 additional, and are also minus the new roads, because this \$16,000,000 increase represents overhead and upkeep, not new construction.

The legislature of 1923 cut the appropriation of the department of agriculture, payable from the general fund, \$850,000, but at the same time made available for overhead the special dog license fund. Expenditures from this special fund show an increase for the present period of \$920,000. Instead of saving the \$850,000, we are really spending \$70,000 more during the present period.

The same shifting of expenditures from the general fund to special funds exists in the departments of banking, labor and industry, mines, public service and fisheries, and most of the special funds available for these de-

partments were created at the session of 1923.

I agree with the governor's statement that "the appropriations from the general fund to the appointive departments (were cut) by one-fourth of the total amount." But we do not save this money if we switch its payment to existing and newly created special funds. The payments in either case are made from moneys contributed by the taxpayers of the state.

A man does not save any money if he splits his roll and in the aggregate spends more from several pockets. This is exactly what Pennsylvania is doing. Instead of saving \$40,000 each working day, we are spending \$37,000 more each working day, and in addition are paying off an overappropriation liability of \$29,000,000 from the additional liquid fuels tax and the newly created emergency profits tax which has lately been made available.

National School Starts Fourth Session

PROFITING by three years of successful experience, the managers of the National School for Commercial and Trade Organization Executives have arranged the course of study for the fourth session to be held at Northwestern University, Evanston, Ill., from July 14 to 26, inclusive.

This year the trade executives will come in on a parity with the commercial executives, and the full course of instruction, as well, is definitely settled. It covers three years and provides certain fundamental subjects which give the student a background of knowledge; technical subjects for both commercial and trade organization men; and specialized activities designed to give men whose organizations have taken up these activities a clear understanding of their essentials so that the organization may have informed guidance. All of these subjects are listed on one of the advertising pages, of this issue.

The course this year, as in preceding years, covers two weeks, each student taking two fundamental courses each week. There are enough of these to give him some choice throughout his three years. The first year men have their technical subjects assigned to them. The advanced students have some choice and again there are enough subjects to keep them occupied during the last two years of the course. The specialized activities are open to both first year men and advanced students and choice among them is optional.

The distinction between technical subjects and specialized activities is that technical subjects are those which fall within the professional field of the executive, and are consequently those of which he should have a thorough mastery, while a specialized activity is one which his organization, through a committee, has taken up as a current activity. Every secretary should be thoroughly familiar with methods of effective committee organization because he is constantly working with committees. That is part of his professional job. But charities, solicitations, community chests, even market building are not subjects on which every secretary need or should become an authority. He should, however, know enough about them to be able to put before the appropriate committees reliable information if and when his chamber decides that they are subjects it wishes to take up.

The Board of Directors of the National Chamber of Commerce has been so impressed by the value of the school that it has continued its financial support. To this the National Association of Commercial Organization Secretaries, and the American Trade Association Executives also contribute. Northwestern University makes its contribution by giving free use of classrooms and grounds. President Barnes of the National Chamber has written the presidents of all member organizations urging them to facilitate the attendance of their staff employees.

Western School Arranges Courses

IN RESPONSE to a request from members in the far west, the National Chamber is this year aiding the Western School for Commercial Organization Executives.

For more than a year negotiations have been carried on between representatives of the Western School and the Board of Managers of the National School for the purpose of establishing a relationship between these two institutions. Distance and expense make it impossible for many secretaries on the Pacific Coast to attend the national school at Evanston. This is a practical situation to balance against the difficulty of supporting more than one adequate school. The Pacific Coast secretaries, moreover, had shown their earnestness by supporting their school without assistance. In view of this the Managers of the National School agreed to an affiliation by which the Western School rearranged its courses of study along the lines which experience at Evanston has shown to be wise, submitted them to the Board of the National School for approval and in turn is given the

right to use all the National School textbooks.

The Western School this year has a one week course, July 20-26, which will be given at Leland Stanford University, Palo Alto, Calif., in the following subjects:

FUNDAMENTAL COURSES.—Economic Problems, Effective Speaking, City Building, City Planning, Foreign Trade, Municipal Government, and Psychology.

TECHNICAL COURSES.—Organization, Program of Work, Meetings, Membership, Publicity, Conventions, Ethics of the Secretary, Problems of the Small Town, Finance, Office Administration, Relation of the Secretary to his Organization, Committee Operation, Junior Chambers of Commerce, Commercial Activities, Industrial Activities, Civic Activities, Journalism, Town and Country, and Women Members.

OFFICE ASSISTANTS.—Equipment of an Office, Methods of Work, and Conduct in an Office.

ASSEMBLY LECTURES.—Public Health, The Work of the Dawes Commission, Effective Civic Bodies, Effective Citizenship, Racial Problems, and Production and Distribution of Food.

That Worst Business Letter

By FRED C. KELLY

READERS have been sending in horrible examples of business correspondence in response to my offer in the April issue of this magazine of \$5 award for the worst business letter submitted.

Under the terms of this contest the prize must go not to the worst letter in the sense of illiteracy, but to the one that contains the greatest number of unnecessary words in comparison with the number of essential ideas. The illiterate fellow is more to be pitied than censured, though possibly his trouble is more easily cured than the habit of writing in long, pompous, though often grammatical jargon. For illiteracy may be remedied by education; but what is to be done to uproot persistent wastefulness and stupidity in those letter writers who have already had opportunity to know better?

None of the letters entered for the prize was as bad as I have often seen; in fact, I have personally received many that were far more wasteful of writing space and time. But, of course, one can't always put his finger on a masterpiece of roundabout phraseology at the moment he wants it.

While it was nip and tuck between several letters for the award, the unanimous opinion of the judging committee, consisting solely of myself, is that the worst letter, considering that the sender is a large and successful business institution, is the following, received through the courtesy of J. Faulkner Thomas, of Faribault, Minn.:

GENTLEMEN:

This is to acknowledge your kind favor of the 31st ult. and note your reference to our ad.

We beg herein to hand you our catalog, together with price list, embracing a line of Brief Cases and Portfolios.

We beg herein to hand you also a circular showing a line of Brief Cases that do not appear in the catalog.

We are pleased to name you a discount of 50 per cent trade from these prices.

Subject to the following terms, namely: 2 per cent for cash if paid strictly in 10 days from date of invoice, or 30 days net.

We also note that you are interested in the traveling goods line and we beg herein to hand you our catalog, embracing a select line of Traveling Bags, such as Club, Kit, Gladstone and Suit Case styles, each number of dependable quality.

We are pleased to name you 40 per cent discount from these prices and subject to our regular terms as above cited.

We believe if you are interested in securing either a nice line of Portfolios or Traveling Bags, that you will be able to make a correct selection of your requirements.

Awaiting your further kind favors, we remain
Yours truly,

Note the number of palavered words. A translation of the prize letter into simpler language might be somewhat as follows:

We are sending you our catalogs, circular and price lists showing brief cases, portfolios and traveling bags. Our terms are 2 per cent for cash within 10 days after invoice, or 30 days net, besides 50 per cent trade discount on brief cases or portfolios, and 40 per cent on traveling bags.

A close competitor for the prize was the following letter submitted by J. W. Walker, secretary of the Chamber of Commerce at Greensburg, Pa.:

Honorable Sir:—

I wish to acknowledge your very kind letter of

This Time Los Angeles Wants 120,000 Horse Power

SOME years ago Stone & Webster designed and built an 80,000 horse power plant in the Sierras and lines to carry the power 240 miles through the San Joaquin Valley and over the Tehachapi Mountains to Los Angeles.

How this system has withstood the heavy rains in the valleys and the snow and ice storms which sweep the high altitudes in winter, is known to power engineers the country over.

Now the management (Southern California Edison Company), depending on the same skill in power work which gave complete satisfaction with the earlier system, has commissioned Stone & Webster to extend its steam plant capacity by 120,000 horse power. This will give the Company a total capacity equal to one-quarter of all the power plants of New England.

STONE & WEBSTER

INCORPORATED



NEW YORK, 120 Broadway
SAN FRANCISCO, Halbrook Bldg.

CHICAGO, 38 S. Dearborn Street
PHILADELPHIA, Real Estate Trust Bldg.

BOSTON, 147 Milk Street

"Pick Your Audience"

With the permission of The Best Foods, Inc., Nucoa Building, Fourth Avenue at 23rd Street, New York City, we reproduce the following letter:

May 23, 1924.

The Christian Science Monitor,
270 Madison Avenue,
New York City.

Dear Sirs:

Two months ago, when it was decided that we would discontinue newspaper advertising on Nucoa and go into national magazines, I made a special request that The Christian Science Monitor be kept on the list, because we have gotten more direct returns from your paper than from all the others put together. Then, too, the Monitor is really not only a national but an international medium, and I have gotten replies from England, Canada and Mexico, as well as from everywhere in this country.

The president of American Linseed Company backed up my request and it passed the Committee, the Monitor being the only newspaper retained.

The returns from the Monitor are simply astounding. Literally hundreds of unsolicited letters have come in, saying that the writers had begun using Nucoa because of their absolute confidence in any product advertised in your paper. Many of them mention that they have continued to use Nucoa year after year because they have found it absolutely satisfactory.

The letters are all from intelligent people, both men and women, and prove very conclusively that if you want to sell anything, the best way to do it is to pick your audience for its intelligence. Then, too, with Monitor readers there is always the money to buy whatever they consider best.

I hope some day to be able to reproduce many of these letters in your paper, and certainly intend to have a scrap book made of them.

Thanking you for your service, cooperation and courtesy, I am

Sincerely

(Signed) Louise Francis,
Advertising Manager,
The Best Foods, Inc.

The Christian Science Monitor

An International Daily Newspaper

Publication Office: 107 Falmouth St., Boston, Mass.

Branch Advertising Offices

New York.....	270 Madison Ave.	Kansas City.....	502A Commerce Bldg.
Cleveland.....	1658 Union Trust Bldg.	San Francisco.....	625 Market Street
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Chicago.....	1458 McCormick Bldg.	Seattle.....	763 Empire Bldg.
London...1 Adelphi Terrace, W. C. 2			

the 30th ult. and sincerely trust that you have not been put to any inconvenience by our failure to reply to your favor before this. I knew you would appreciate receiving a reply long before this but beg to advise that I have been too pressed. Most humbly I beg your pardon and beg to say it will not occur again.

I want to acknowledge the receipt of your printed matter with profuse thanks and have examined same. As per request we send you herewith inclosed some pamphlets. In your esteemed favor you ask for quotations as per sample. The cost we take pleasure in quoting you is 10c per each or \$1.15 per doz. and would suggest you reply forthwith. We could then hand you what you want when the contents of your letter are duly noted.

Hoping you are well and that you are in the market now, for it looks like you are, thanking you for your very many nice favors, and trusting to see you on the 14th inst. as per talk on the telephone, I am, as always,

Sincerely, fraternally and faithfully yours,

Now, all this writer really needed to say was:

"I can duplicate your sample for 10 cents each or \$1.15 a dozen."

While not eligible for the prize, inasmuch as it was diffuseness rather than illiteracy which we were seeking, the following letter, recently received by Benjamin W. Levine, of Brooklyn, is perhaps the most unusual and most interesting:

Gentlemen

Dear Sir:

Aresift i ceis from di sipmet yu meit open di ces aisin dys iz nat di guc ai ordert nat di coler alsou sou ayretoit dat ceis tyu au Peit diexx peres sou aytuc op 2 felc for di cazys Di selysmenen tol mi if der wyl nat bi es aord ai sut sen dem bek sou ay don sou.

This letter was written in script, and the language appears to be early Neanderthal, but the writer was trying to express himself in English, as the following translation into ordinary English demonstrates:

I received one case from the shipment you made. Opened this case, I saw this is not the goods I ordered, not the color, also, so I returned that case to you. I paid the express so I took off two felts for the cases. The salesman told me if they were not as ordered, I should send them back so I did so.

Here is a paragraph from a letter submitted to the contest by Joseph F. Neal, of Hill, Clarke & Company, Boston:

I was more than surprised at your remarks and contents of your letter, in as much as previously up to this writing our business relations have always at all times been friendly and pleasant.

Anybody who so desires may amuse himself by picking out the unnecessary words in that paragraph.

Here's still another letter that I started to simplify, but the job seemed too forbidding to tackle on a balmy spring day:

Pur. Dept.,

Berks Engineering Co.,

Reading, Pa.

Gentlemen:—

Yrs 29th at hand, as is also yrs of Nov. 24th (order & sample) mailed the same date (Nov. 20th).

We have not had time to ack. yr order No. 18535, which we now do.

We wish to call yr attention to yr inquiry for price on Braider Bobbins to accompanying Photostat. That Photostat made no mention, nor did yr inquiry sheet, that these bobbins were to be hand sanded and hand shellac polished. We quoted, therefore, on a plain bobbin in the white and tumbled. The arrival of yr sample places our quotation in a new light and we cannot make these 5,000 Bobbins for less than \$40.00 per M. and have so entered yr order and, on account of

yr haste for the material, have fwd same to our No. 3 Mill for immediate attention.

Yr Photostat also made no mention that the bobbins were to be made from Maple. Yr sample is not made from Maple stock, but from Birch stock and we will make the Bobbins from Birch stock. We would not make the Bobbins from Maple on any condition, as Maple is altogether too brittle for such thin heads. Birch is a tougher wood and more durable than Maple and is not anywhere as brittle. Now, if there is to be any complaint about the price and stock in this order, we want you to wire us immediately, so we can cancel same. We will give you a better bobbin than yr samples shows up to be. To show how brittle Maple stock is, both of the heads of yr sample was entirely broken off in transit.

Respectfully yours,
Nashua S. & B. Co.

We hope and intend to ship these bobbins in 2 weeks from today.

My first thought was that the foregoing letter might take the prize, but after all the writer does have a number of things to say, even though he expresses himself poorly, and doesn't use as many words beyond his needs as did some of the others.

By way of variety, here is a letter that had no chance to take the prize as there doesn't seem to be anything wrong with it.

Duplex Printing Press Co.,
Battle Creek, Mich.

Gentlemen: Yours 5th. We wanted information about the old pit.

If it will fit, we may use it. Deacon Wilson said it would cost less than a million dollars to build a new pit, and estimates furnished by local second story workers and hijackers, in a way bears out his contention.

We own the three buildings here and would like to sell them all and join the Wilson glee club and possess nothing but nakedness and newthoughts, but we would rather spend our money for unalloyed corn and say our prayers, than give it up under the torch. Another thing, we are not going to stand for full time and time and a half and all that cocky stuff.

We can arrange for at least three days to print on another press during installation, and we would rather do this than pay out \$600 for a new pit. That is the reason we asked if the present pit would answer. If it will, the old press can be taken down Saturday afternoon and the new one installed immediately thereafter, but we want no Hoken. Wilson quoted from 3d verse, second Chapter of Bovo in his sales talk, but as a modernist he has his faults. Why cover up thoughts?

Now let's have no monkey or gland business. There is to be no silent massage treatment. If the old pit will do we may use it; in fact, had or would rather use it. Ask Wilson; he knows. If the old "Pit" won't do, then the call is for something else. But be reasonable without restraint. Remember the scar Duplex left in years ago. Far be it from me to chide or take on, but all roads do not lead to Teapot Dome. Even Alexander Hamilton was an illegitimate child. But in all this stress and strain, politically and azolically, the times are not out of joint, altho far be it from me to chide the ever hear the one about Bailey who married one of the Youtsey twins? No? Well, its a good one.

"Hello, Bailey, I understand you married one of the Youtsey twins. Why man those girls are so much alike I don't see how you tell them apart."

"I don't try to tell them apart," said Bailey. "It's the business of that other twin to look out."

And so it is; tell me what I want to know and let it go at that.

Sincerely yours,

And now I must get out the little old check book, see if there's any money in the bank, and send my personal check to Mr. Thomas, winner of the \$5 prize, out in Faribault, Minn.

UNTRIMMED FOR THE OCCASION



When this deckle-edged ornament of the bar summed up before a jury or addressed a Fourth of July assemblage he relied very largely upon his facial forget-me-nots for assistance in registering emotion.

He could hiss defiantly through those matted tendrils, if hissing seemed to be in order; but when soulful sentiment stirred him, his sibilant speech took on the characteristics of the south wind sighing among stately pines.

In his day shaving was a hard task, and whiskers were permitted, for that reason, to protrude from many chins that were worthy of better things.

COLGATE'S softens the beard at the base

Men who lather with this marvelous shaving cream are happily surprised at the wonderful difference it makes for the better.

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Heavily loaded factory trucks wear out floors rapidly. In one of the tunnels illustrated here trial sections were laid using different floor materials. After a four years' test the other tunnel was floored with the winning product—concrete with Alundum Aggregates imbedded in the surface.

Five years finds the trial section still in excellent condition and good for many more years while the newer section shows no indication of wear after eight months' hard service.

Alundum Aggregates imbedded in the surface of concrete form a

floor that is well adapted for rough and heavy industrial service. Alundum abrasive is the hard, tough material used in the well known Norton Grinding Wheels. Now employed in Norton tiles and aggregates this abrasive has resulted in the most wear-resisting floor material known and one that is practically slip-proof. Water, oil and grease do not lessen the slip-proof effectiveness.

There are other types of Norton Floors suitable for office buildings, hospitals, schools and the finest of hotels and public buildings.

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New Coast Guard Job To Break Up Rum Row

THE COAST GUARD is a government service that makes a strong appeal to the imagination and sympathies of the American people, since it is a service that is connected with the saving of human life and property at sea and one that involves manifold dangers and hardships. A new duty that the service has undertaken in recent years is that of patrolling that area of the North Atlantic, where icebergs threaten the safety of ships and lives, and of sending out wireless warnings to passing vessels, and particularly to vessels whose course, if unaltered, would lead them to destruction. The origin of this duty is celebrated each year, when the officers and crew of the patrolling vessel assemble on the quarterdeck and commemorate, at the precise point on the ocean where it occurred, that terrible disaster that resulted from the collision of the *Titanic* with an iceberg on a foggy night in April, 1912, and that sent over 1,500 lives to eternity. To prevent a recurrence of this tragedy coast-guard cutters take turns in patrolling these dangerous waters.

To Prevent Smuggling

BY DIRECTION of the Government the service has now been assigned to an additional line of duty, more in accordance with its original duty than any other it has undertaken during the past half-century. To enforce the customs laws, and especially to prevent smuggling, was the primary reason for the establishment of the service. It is in line with that original duty that the Coast Guard is now directed to undertake the duty of preventing the smuggling of narcotics and intoxicating liquors into the ports of the United States. To provide ships and men necessary to the purpose, Congress has appropriated nearly \$14,000,000 which is to be expended between now and July 1, 1925. This expenditure, which with an additional \$8,200,000 to be asked of Congress this fall, will provide for the reconditioning of 20 fast naval destroyers, one mine sweeper, one seagoing tug, 223 cabin motor boats 75 feet long and of a speed of 18 knots, and 100 motor boats 36 feet long and of a speed of between 20 and 30 knots, all of which will be added to the existing fleet. The commissioning of this new fleet will require an addition to the present personnel of 149 temporarily commissioned and 140 warrant officers and 3,789 enlisted men, or a temporary force nearly equal to the existing permanent force. In addition to this increase in ships and men 19 coast-guard stations that have been closed for a considerable time will be refitted and reopened.

Twenty-four Hour Activity

WHEN this considerable new navy takes to the water some time during the present year there will be a number of bad half-hours in "rum-row," and aquatic bootleggers will experience a new respect for the laws of their country, for when the Coast Guard gives notice that it proposes to stay by the rum runners every hour of the twenty-four, and pursue every smuggler that leaves the side of one of them, it may safely be assumed that the Coast Guard means what it says. By this it is not intended to convey the idea that the officers of the service are vaingloriously predicting an end to the rum traffic on the sea-coast. They make no boasts and give no assurances in this respect. They merely say that they will do their duty. But they say it in a very interesting way.

August Is No Month for Heavy Reading

That's why we're going to make the August number of *The Nation's Business* light, to harmonize perfectly with your mood.

It's going to have as much romance as a summer novel; you'll find it a good companion with which to while away an afternoon or evening.

But it's going to be full of truth and information, replete with articles that substantiate the old "stranger than fiction" theory.

So don't miss the August issue—the Romance number of the year.

Chips From the Editor's Work Bench

MOVING day bills make impressive totals. The shift of population in Chicago last year, for illustration, included 367,000 families, say engineers of a gas company. They base their figures on the number of "turn on" orders for gas. If all of the families were blessed—or cursed—with worldly goods, and the transfer men levied tribute, say \$30 on each movee, the moving-van bill would amount to more than \$11,000,000. And every move goes hard with furniture and furnishings—an additional expenditure of \$10,000,000 is reported for new things to put in new homes. No one has been able to appraise the loss of time from work, or the expenditures for meals outside the homes.

Some guessing has been done about the causes of the Maytime quest for new abodes—high rentals, the perpetual juggling to keep income even with outgo, and the gypsy urge



for change have consideration. Landlords still hold a sort of feudal dominion over tenants, and it may be that a year on one manorial estate is all the purse will bear. Certainly tenants are of brief fealty to rented domiciles. Their independence is deeper than belief that dumb waiters tell no tales; their roving spirit has florid expression in a refrain of moving day . . . "Millions for moving, but not one cent for landlords."

But if an itching foot takes to the road, an itching palm will take from the purse. "Pay or move," says the landlord. "Pay or stay," says the moving man. Does it pay to move? A variation of an old jingle assures that

All the king's horses and all the king's gas
Won't turn a wheel until siller shall pass . . .
Because every van keeps close to the van-guard?

ALITTLE playtime now and then is relished by the best of working men and women. That relish is satisfied by many cities through provision for parks, playgrounds, golf courses, tennis courts, and other recreational facilities. Municipal expenditures for public recreation during the year 1923 amounted to \$14,000,000—more than twice the amount so spent in 1913. Of the amount spent in 1923, bond issues of 31 cities accounted for \$10,399,661.

The spending began in 1885, when Boston established "sand gardens" for children's play. For 1923, 680 cities reported playgrounds and recreation centers under leadership. Getting people to play seems rather hard work; the Playground Association of America estimates that more than 400 cities with a population of 8,000 or more have no playgrounds or recreation leaders. The association was organized in 1906, and its job is to establish systems of recreation under leadership. Its field workers, last year, helped 450 cities with their recreational problems.

The number of full-time and part-time workers employed last year in recreational service was reported at 12,282—5,123 of them



Evidence

Modern machine bookkeeping methods are undoubtedly the last word in speed, efficiency and accuracy—but it is our belief that no bookkeeping system is really complete unless it has at least ONE bound book in it—a book of original entry—a book where tampering must reveal itself—a book, in short, that will serve as indisputable evidence in any court!

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men and 7,159 women. Aiding them were 5,252 volunteer workers.

Swimming pools and beaches are popular prescriptions for beating the summer heat; 536 municipal pools and 261 bathing beaches were in use last year. Children in 69 cities were kept cool by 410 street showers. Municipal vacation camps were maintained last summer by 45 cities, and a total investment of \$216,318 in camp property and equipment was reported by 32 cities. Municipal golf courses are established in 88 cities, and the reports show that the fees are scaled for lean purses.

Play is good medicine for many ailments of body and mind. It holds rewards of better health, better fellowship, better Americanism. But accent should not be placed on the implements of play. It is the spirit that counts most. The brass-bound magnificence of a costly golf bag may hold more sticks, but it holds no more joy of living than plain and simple canvas; better an eager dub with one club than a bored poser with plenty.

SHOE repairmen report that shoes brought to them for repair reveal greater wear of the soles than of the heels. More and more people are driving cars, the repair men believe, and they use the ball of the foot to depress clutch and brake pedals. It may be that the well-heeled have use for motor cars, but it would seem that motor cars have no use for heels. This tendency may give foot doctors new toe holds on their patients—a ball-bearing foot should be visible through the windows of the soles. Heavy souls are made to keep off the grass. Should thin soles be made to keep off the gas?

THE COLLEGE man has long been needed in business, writes James Simpson in the *Yale Daily News*. Mr. Simpson knows a good deal about business and about men. When he has use for his title he has authority to sign himself President of Marshall Field & Company, Chicago. He believes that the realization of the close affinity between scholarship and business has been slow in coming, but he is sure that "mercantile pursuits have much to gain from cultivated minds, and . . . higher education serves as a valuable background to a successful commercial career."

From the classroom to the counting house is only a short step, but many call and few are chosen. Mr. Simpson gives fresh and convincing testimonial that his concern is not prejudiced against college men. "We wel-



come college men . . . but they have to earn their promotions by their accomplishments . . ."

The affinity that Mr. Simpson sees would seem to sustain only one-way traffic. Among the shoals of young men let loose in June upon a skeptical world it is barely possible to discover a counter current—the movement from business back to books. Regard Charles Templeton, of Waterbury, governor of the proud state of Connecticut. He has told friends that he is going to enter Yale next January. History and psychology interest



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Chamber of Commerce
BURBANK, CALIF.



him. Elderly men, he believes, should continue their education in courses which are given freely in colleges and schools.

And why not? Business men could bring a useful tincture of practicality to the secluded speculations behind college walls. Successful pilots of business argosies should be able to point out the cross currents of life to budding captains. What more pleasant way to spend retirement and double allowance at sixty prescribed by Dr. Osler! What a jolly berth for an old salt of the earth—tempering trade winds to shorn sheepskins!

TWENTY governments in various parts of the world are now fighting the hookworm. With them is working the Rockefeller Foundation, an organization that makes a business of subsidizing "the well-being of mankind throughout the world." In tropical and sub-tropical zones the hookworm disease "handicaps and enfeebles millions of persons every



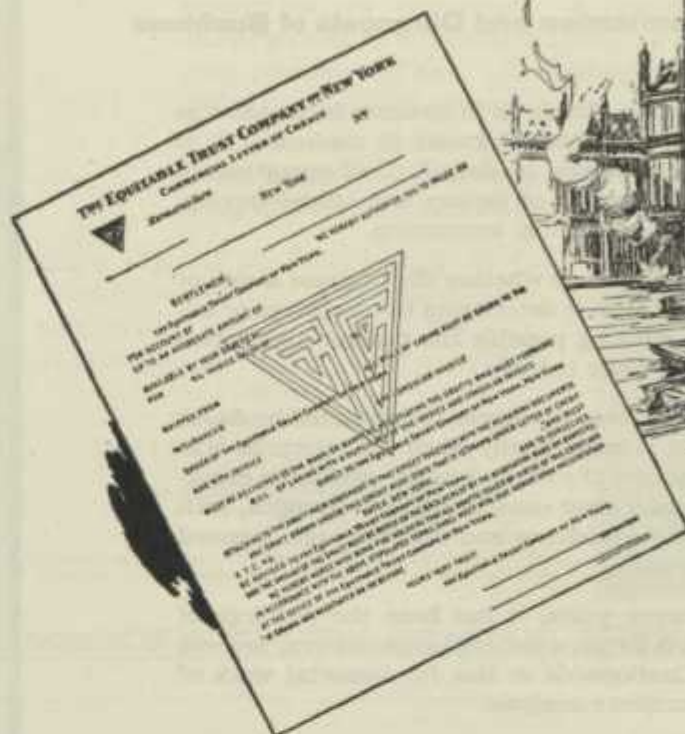
year, reducing economic efficiency, causing unhappiness, and increasing mortality." No government can exist half hookworm and half free, the foundation believes, and it has declared war on the worm.

Now, if the foundation would only set up shop as a better business bureau, say, it might find a cure for dry rot—certainly the most advanced stage of "reduced economic efficiency." But good riddance to the hookworm when the foundation stoops to conquer. The pesky worms live in a vicious circle . . . they lunch off the flesh of their human hosts . . . pass off their eggs to pollute the ground . . . the new generation seeks other hosts for board and lodging. Life in a hookworm country is a continual round of parasites lost and parasites regained.

FREIGHT cars interest R. E. Cook of Pittsburgh. Mr. Cook directs the shipping of the "57 Varieties" of Heinz products and watches the cars in which they travel when they leave the old home. He has marveled much at the rough treatment endured by the wandering chattels of the railroads. He cites Erie box car 95,576. He looked upon this car when it stood on a siding at the Heinz factory. Seemingly, it bore pathetic traces of outward newness, but its innards! Ah, they were not what they used to be. "Holes had been roughly cut in the galvanized inside roof of the car," he writes, "evidently as an anchoring place for bracing, presumably for automobiles."

Shippers might be a little more careful of facilities for common use, Mr. Cook believes. "By way of comparison one might, when visiting his friend, take with him a hatchet with which to deface the hardwood floor in the library or drawing room." There's a thought to shame vandalism.

Small wonder now in car shortages, or in knowing that freight cars may be shy when shippers would have them nigh. What to do? A "Be Kind to Dumb Box Cars Week" holds promise of a seven-day truce, and a disarmament conference of shippers is worth considering. But if cars are to be kept in ser-



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vice and not in repair shops, carnivorous shippers and their freight cars must soon be parted.

KEEPING up appearances in a beauty parlor seems a ticklish business, and now there is a deal of hair splitting in the distinction between barber and bobber. Are the bobbers within the meaning of the statutes requiring license for barbers? Certainly a fair job of trimming may be done without benefit of license . . . that woman Delilah! If license by examination is required, the candidates should be spared the learning of barbershop stories.

But why all the pother over the licensing of bobbers? The real need is to license barbershop jokes. Just think of the unlicensed jokes knocking around the world—and barbershop jokes do have the longest whiskers. Barbershop liberty is too often mistaken for license. Who knows, the Thief of Badgags may be lurking behind a bottle of bay rum. Some day the old nursery rhyme may read,

Hark! Hark! the dogs do bark,
The bobbers are snipping the down,
Some are wags, all have gags,
And new licenses through the town.

Old tags don't go on new motor cars; old gags shouldn't go in new beauty parlors.

ASTRONG, bright yellow is superior to all other colors in visibility and luminosity, say two scientists who make a business of knowing all about colors.

"Yellow is the symbol of light and wisdom, and happy is he who follows wisdom's ways in running his automobile," says M. Luckiesh, director of the Laboratory of Applied Science, National Lamp Works of the General Electric Company. Further approval comes from Henry Turner Baily, dean of the Cleveland School of Art, who believes of yellows: "From the standpoint of color alone they are not the most striking, but from the standpoint of color plus brightness, the yellow is the best color that can be selected."

Now, isn't all that erudite and informative! But aren't the savants a bit belated with their good words? Yellow has long needed a friend. The yellow peril has bulked large in the public eye . . . a school of journalism is founded on the high visibility of yellow . . . and the saffron streak of human nature . . . who does not know them? Like as not, colors take character from the persons who use them, and yellow is as yellow does.

"FIG GROWING in the south," says H. P. Gould in a bulletin of the Department of Agriculture, "has assured increased interest during the last two or three years."

Figs get into poetry and syrups for children. The fig industry has produced passable bywords . . . as "A fig for the vicar," and the leaves are a sort of passable by-product. When the return to Eden begins, dress in character with the regained estate will be needed. There may be some little delay over credentials, but it would seem entirely proper when entering to hail the old gatekeeper with "by your leaf" . . . banal, of course, but botanical. Since the very first fall, fig growers have faithfully served art. Why should the spirit of sculptors be proud? . . . with all the responsibility for their standing resting on a frail fig leaf. Let them turn over a new leaf if they dare! . . .

The brow may be decked with laurel and bay; It's the fig leaf that keeps censors away.

A fig for the censors!

R. C. W.

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appearing in this magazine may be ordered from THE NATION'S BUSINESS, Mills Building, Washington, D. C.

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Government Aids to Business

Development of a line-radio or "wired wireless" system by which trolley wires, mine tracks, compressed air and water

Wired Wireless for Use in Mine Operations piping, cables and similar "carriers" are utilized for voice transmission promising the solution of the difficult problem of establishing methods of communication between underground mine workers and the surface which would be reasonably sure to withstand the severe disturbance occasioned by mine explosions, says J. J. Jakosky, assistant engineer, Department of the Interior, who is making a special study at the Pittsburgh experiment station of the Bureau of Mines.

In tests recently made in a coal mine 400 feet deep, no difficulty was experienced on the surface in receiving radio messages from a transmitting set mounted on a mine locomotive as long as the apparatus was near metallic carriers. The experiments indicate that the transmitting range of a radio set in a typical coal mine is only a few hundred feet when no conductors are present, but may be several thousand feet when operating in proximity to metallic carriers.

The bureau found that breaks in the metallic conductors do not completely stop communication as in the case of a break in the lines connecting the ordinary mine telephones. Fire, falls of rock and roof, explosions, mine flooding and other mine disasters which might cause one or more breaks will not completely destroy the conductors, the experiment showed, and communication between underground workings and the surface could probably be established.

Details of the tests are given in Serial 2599. Copies are obtainable from the Department of the Interior, Bureau of Mines, Washington, D. C.

Mine Hazards in Relation to Insurance Rates

The problem of determining methods for the equalization of underground compensation insurance rates for metal mining companies in proportion to the underground hazards involved has been considered by the Department of the Interior through the Bureau of Mines. In Serial 2590, by Byron O. Pickard, mining engineer, Bureau of Mines, the origin of accident compensation is reviewed, state compensation laws are digested, and types of insurance carriers are described.

This consideration of the problem is to be followed by a study of the basis of premium rates, risk differentials and cost of compensation insurance to mine operators. These data will be supplemented by an analysis of the accident hazards in different metal mining methods and practices, and the severity and frequency of accidents classified by time lost and period of exposure to hazard for different states, mining methods, occupations and nationalities. Attention will be given to standardized preventives for underground accidents in metal mines, and, finally, the classification of underground metal mining hazards for workmen's compensation insurance premium rating.

Copies of the serial 2590 may be obtained from the Department of the Interior, Bureau of Mines, Washington, D. C.

A number of companies in the petroleum industry have suggested to the Department of the Interior the desirability of having the Bureau of Mines collect by telegraph, on the first of each month, statistics showing the stocks of gasoline on hand at that time, and that a report based on the figures be promptly sent to the industry.

Oil Companies Want Statistics First of Month

The bureau is willing to compile the figures, it says, if it is convinced that demand for the compilation really exists among refiners. Unless the refiners are willing to cooperate by promptly telegraphing the figures at their own expense, the

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- 1st **Saving** Skayef Hangers save from 30 per cent upwards of the energy which plain bearings consume in friction. This means a saving of 15 to 35 per cent of your power cost.
- 2nd **Saving** Considerable time is saved by eliminating shutdowns for replacing or adjusting bearings. Lubricant required only on infrequent intervals and is cannot leak out and run before or produce.
- 3rd **Saving** Lubricant consumption reduced 50 to 80 per cent as compared with plain bearing hangers. Lubricant required only on infrequent intervals and is cannot leak out and run before or produce.
- 4th **Saving** There is no discernible wear on the hard steel balls and races and absolutely no shaft wear. Dust and dirt cannot enter the bearings and Skayef self-aligning ball-bearings have the exclusive inherent ability of compensating automatically for shaft deflections.



Made Under
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Supervision

**NOTE: Tear this out
and send it to a business friend**

To the United States Chamber of Commerce,
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Send me the NATION'S BUSINESS, your official monthly publication, beginning with the JULY number. Bill me later for \$7.50 for the three year term-subscription (OR: I enclose remittance with this coupon).

NAME.....

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When writing to THE SKAYEF BALL BEARING COMPANY please mention the Nation's Business

bureau explains, it would not be worth while to attempt the experiment, for if the totals should not include a major portion of the stocks on hand, the figures would be of little value.

It is to be understood that the bureau will continue to collect figures and prepare reports each month on the output and stocks of all refinery products, including gasoline. Delay in the issuance of reports under the present method is explained by the fact that a number of the refiners cannot submit complete statements until the 15th or 20th of the month following the period covered by the statistics.

The latest addition to the series of industrial motion picture films released by the Department of the Interior through the Bureau of Mines is presented in "The Story of Portland Cement." This film, one reel in length, has been prepared in co-operation with the Portland Cement Association, in commemoration of the 100th anniversary of the invention of Portland cement.

Uses of Cement Pictured in Industrial Film

Portland cement, it is said, has more than a thousand uses, and a few scenes depicting representative uses are included in the picture.

Copies of the film may be obtained by schools, clubs, commercial groups and organizations of similar character on application to the Department of the Interior, Bureau of Mines, Pittsburgh, Pennsylvania.

Developments of water power in the United States include 3,200 plants of 100 horsepower or more, with a total capacity of installed water wheels of 9,086,758 horsepower, an increase of about 1,160,000 horsepower, or nearly 15 per cent above the 1921 total of 7,926,958 horsepower, according to the latest survey of water power made by the Geological Survey, Department of the Interior. Of the present total, 81 per cent is in public utility plants and 19 per cent in manufacturing plants. The corresponding percentages in 1921 were 78 and 22.

Water Power in United States Is Increasing

New York, with 1,542,983 horsepower, is still the leading state in developed water power; California, with 1,451,830 horsepower, is second; Washington, with 480,356 horsepower, is third; Maine, with 473,188 horsepower, is fourth; and North Carolina, with 431,500 horsepower, is fifth, displacing Montana, which ranked fifth in 1921.

Water power developed in the New England, East North Central, West North Central, and Mountain states has not kept pace with that in the other parts of the United States, the survey shows.

Carbon monoxide poisoning in homes and industries is discussed in Serial 2593, issued by the Bureau of Mines. Methods of treating acute carbon monoxide poisoning are outlined in the discussion.

Common sources of carbon monoxide, says the bureau, are mine fires and explosions; the gaseous products of combustion of powder, dynamite and other explosives; blast-furnace stack gas; coke-oven gas; coal gas; producer gas; gas ranges and room heaters burning natural gas or manufactured gas; automobile exhaust gas; smoke from burning buildings; and railroad locomotive stack gas. Manufactured gas may contain from 10 to 30 per cent of carbon monoxide, the bureau believes, and automobile gas contains an average of 7 per cent of carbon monoxide.

The after effects of carbon monoxide poisoning range from virtually none to headaches, muscular pains, long periods of unconsciousness, loss of strength, and mental derangement, with loss of memory, paralysis and temporary blindness. Good ventilation and good safety equipment are the most important factors in the prevention of carbon monoxide poisoning. For treatment, inhalation for a period of twenty to thirty minutes of oxygen or a 5 per cent mix-

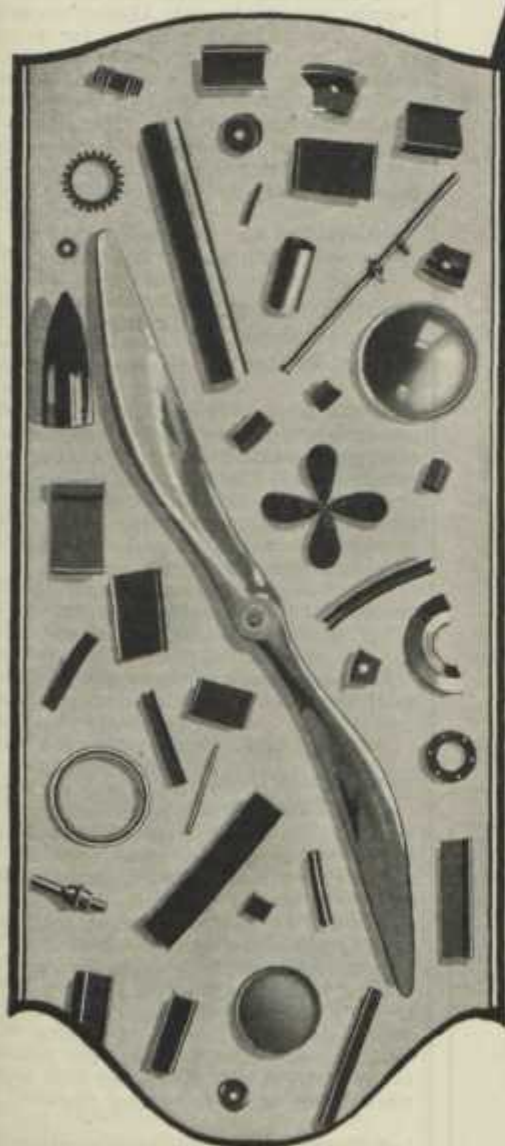
**Treatments for
Carbon Monoxide
Gas Poisoning**

Carbon monoxide poisoning is discussed in Serial 2593, issued by the Bureau of Mines. Methods of treating acute carbon monoxide poisoning are outlined in the discussion.

A Job for the Production Man



Also, Micarta Gears are used extensively for automotive timing gears.



More Jobs for MICARTA

Like Topsy, the uses for Micarta have just "grow'd." From an admirable material for *gears, wiring channels, etc.*, Micarta uses now run into the thousands, due in most cases to the study and initiative of Production Men.

Searching for uses for Micarta in *your* plant should prove profitable. Its adaptability, strength, lightness, quietness (for gears), its non-warping, non-shrinking qualities, its imperviousness to moisture, oil and most acids—all help toward more efficient production and a better manufactured product.

For concrete suggestions communicate with any Westinghouse office.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY
Offices in all Principal Cities Representatives Everywhere
Tune in sometime with KDKA — KYW — WBZ — KFKX

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Who is the Company?



ON April 1st, 1924, the stockholders of the American Telephone and Telegraph Company numbered more than 300,000—more than twice the number recorded on the company's books less than three years before.

The average number of shares held ten years ago was 62. Today it is 25. Of the present stockholders of record, more than 80% own 25 shares or less each, and more than 35% own 5 shares or less each.

Of all American corporations, the company has the greatest number of stockholders, and none has its shares more widely distributed.

Safety of principal and attractiveness of return explain this nation-wide ownership.

A. T. & T. stock pays 9% dividends. It can be bought in the open market to yield over 7%. Write for pamphlet "Some Financial Facts."



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SECURITIES CO. Inc.**

D.F. Houston, President
195 Broadway NEW YORK

"The People's
Messenger"



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NATION'S BUSINESS
Washington, D. C.

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ture of carbon dioxide in oxygen, if available, will greatly decrease the number and severity of symptoms of carbon monoxide poisoning, as well as decrease the possibility of serious after effects. Copies of the serial may be obtained from the Bureau of Mines, Washington, D. C.

The domestic production of coal tar dyes last year, says a preliminary report of the United States Tariff Commission,

Production of Coal Tar Dyes Shows Increase

was about 92,000,000 pounds, valued at \$50,000,000. The indicated production has surpassed the output of any preceding year. The 1923 production exceeds by 42 per cent that of 1922. The two factors chiefly decisive in the increase of 1920 were the greater activity of the textile and other dye-consuming industries, and the increase in exports because of the decreased production of German dye plants in 1923, consequent to the occupation of the Ruhr by the French. The variety of domestic dyes was increased by the production for the first time of many new dyes.

The new products include dyes of high fastness, and dyes for coloring silk, wool, and cotton. Indigo leads all dyes in the quantity of production, amounting in 1923 to about 28,000,000 pounds, compared with 15,850,000 pounds in 1922. The preliminary figures for the imports of dyes into the United States during 1923 indicate an importation of 3,100,000 pounds, valued at \$3,200,000. Germany supplied 47 per cent of the imported dyes. The exports of coal tar dyes during 1923 show a significant increase over 1922, says the commission—17,924,200 pounds in 1923; 8,344,187 pounds in 1922.

Information on the most important instruments and measurements used in radio communication is presented in

Instruments and Measurements Used in Radio

Circular No. 74, issued by the Bureau of Standards. The circular includes a consideration of the principles of radio frequency on which all measurements are based, and there are sections on wave meters, condensers, inductance coils, current measurements, and resistance measurement. Electron tubes receive special attention because of their extensive use in radio measurements as current generators and detectors. A useful collection of formulas for radio calculations is available for quick reference.

The circular is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 60 cents a copy.

In connection with its study of the use of synthetic tanning materials, the Bureau of

Synthetic Materials Used for Tanning

Standards has observed the action of syntaus (sodium salts of sulfonic acid) on rawhide under various conditions of concentration and acidity, and also the action of other solutions of salts and acids on rawhide with particular reference to their plumping qualities.

The best results from syntaus, with regard to rapidity of tanning, were obtained when the syntaus was first completely neutralized and then the tanning bath brought to the proper acidity, 1/40 to 1/10 normal, by adding a weak acid such as acetic acid. This method of tanning with syntaus, the bureau says, makes the process practically identical with that found most satisfactory when using vegetable tanning extracts.

A directory of United States exporters of boots and shoes and other leather manufacturers has been issued by the Department of Commerce.

A Directory of Exporters of Boots and Shoes

The directory includes the names of 990 firms actively engaged in export trade and is alphabetically arranged with numerous symbols designating the particular export lines in which each concern specializes. Supplementary information will be issued from time to time as necessity requires. The directory is obtainable from the Superintendent

dent of Documents, Government Printing Office, Washington, D. C., at 10 cents a copy.

Trade information bulletins recently issued by the department, and obtainable on request, include: No. 220, International Trade in Cement; No. 222, Budgets of Western European Countries; No. 223, Colombia; No. 224, United States Trade with Latin-America in 1923; and No. 227, Franco-American Trade, 1921, 1922 and 1923.

Sulphur is apparently a normal constituent of crude petroleum but in most crudes is present in percentages of less than

The Percentage of Sulphur in Typical Crudes

one-half of one per cent, say N. A. C. Smith, petroleum chemist, and D. D. Stark, assistant petroleum chemist, Department

of the Interior, in Serial 2582, issued by the Bureau of Mines. Some crudes, they say, contain more, and occurrences have been reported of heavy asphaltic oils with as much as 5 per cent of sulphur.

A description of typical sulphur bearing crudes marketed in the United States is given in the serial, and a new method of separating asphaltic crudes into oil and asphalt is explained. Copies of Serial 2582 may be obtained from the Department of the Interior, Bureau of Mines, Washington, D. C.

The presence of one-half of one per cent of aluminum in tin will cause brittleness of the tin,

Brittleness of Tin Caused by Aluminum

reports the Bureau of Standards, after analyzing a sample of tin. Aluminum in tin is unusual, the bureau says in explaining that it had no

tested method for separation and determination. A method has now been developed for application to tin and, with modification, to brasses and bronzes. With some additional changes, the bureau believes, the method can be used in analysis of a wide variety of materials.

A method of test for the detection of alkaline glassware has been developed and supplied by the chemistry division of the Bureau of Standards.

A Test for Alkalinity of Glassware

The test consists in heating the sample in an autoclave at 15 pounds steam pressure for an hour.

Water held in beakers of the best chemical glassware was neutral to phenolphthalein after the test. Other ware gave results ranging from a very faint alkaline solution to solutions which were decidedly alkaline and were accompanied by considerable insoluble matter. Some of the ware showed pronounced etching. The bureau believes the test is adequate to reveal the alkalinity of glassware.

To make studies of projectiles in flight and other objects moving at high velocity the Bureau of Standards has

A Camera for Photography of Projectiles

designed a multiple lens camera with a mechanism for the prevention of blurring. With five lenses, the bureau reports, 250

pictures per second have been taken. By increasing the number of lenses, the number of pictures can be increased.

The camera consists of a drum for carrying the film, a focal plane shutter drum, several lenses arranged in a line parallel to the axis of the drums, a motor for driving the drums, a tuning fork for timing the film and a magnetically operated shutter. The focal plane shutter drum has slots so arranged that exposures are made by the different lenses in succession. The shutter drum rotates in the opposite direction from the film drum and with a speed several times as great. The lenses all have the same focal length and are placed at the same distance from the film.

A complete description of the camera is presented in Technical Paper No. 225, obtainable from the Superintendent of Documents, Government Printing Office, at 10 cents a copy.



How much is a two-cent stamp worth? Sometimes several thousand dollars.

JUST a note written to us will bring a General Box Engineer to you at our expense. He will study the packing and shipping of your products and design a box or crate best suited to your needs.

You can make test shipments in the newly designed container to prove its strength and money-saving advantages.

Read this statement from the Detroit Steel Products Company. They are now using Pioneer Wirebound Boxes for shipping such heavy products as glazing clips, cam handles, stay bars, hand and power window operators.

"The boxes were constructed of $\frac{3}{4}$ " white pine boards at a cost of \$1.40 (including material and labor) for the largest of the three sizes used.

"The same size Pioneer Box costs 97 cents—a saving of 43 cents per box.

"A considerable saving in freight charges is also effected because the Pioneer Box is 17 pounds lighter than the former type of box which weighed 39 pounds. Severe tests have demonstrated conclusively that Pioneer Boxes are not only lighter but actually stronger—another very important consideration.

"The saving on the two smaller boxes is as great proportionately."

In view of these facts isn't it worth two cents to you to find out if—and how much—you can save by using Pioneer Boxes or Crates? They are used by leading companies in practically every industry.

Write for "General Box Service"—a booklet of information on better boxing and crating methods.

GENERAL BOX COMPANY

504 N. Dearborn Street, Chicago, Illinois

SEVENTEEN FACTORIES GIVE YOU CLOSE AT HAND SERVICE:

Bogalusa, La.
Brewton, Ala.
Brooklyn, N. Y.
Cincinnati, Ohio

Crawfordsville, Ind.
Detroit, Mich.
East St. Louis, Ill.
Hattiesburg, Miss.

Houston, Tex.
Ilmo, Mo.
Kansas City, Mo.
Louisville, Ky.

Winchendon, Mass.

Nashville, Tenn.
New Orleans, La.
Pearl River, La.
Sheboygan, Wis.

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Recent Federal Trade Cases

PUTTING red centers in chocolate candy to win prizes for customers suggests lottery to the Federal Trade Commission, and it has issued a complaint against a Cleveland manufacturer selling to wholesalers throughout the United States.

According to the citation the concern makes a candy which it named and advertised as "Lucky Reds." The candies which retail at one cent each are made with cream or white and red centers, says the commission, and are covered with chocolate so that the filling is not distinguishable without breaking open the candies. The candies containing red centers when sold entitle the purchaser to a prize of a bar of candy valued by the manufacturer at five cents, so the commission says. The complaint alleges that the prizes are given by chance or lottery, and induces the general public to buy the manufacturer's chocolate creams in preference to similar candy of his competitors.

THE PRINTING of alleged fictitious and exaggerated prices on sheet music offered for sale to the public is the basis of an unfair competition complaint issued by the commission against a Chicago company, which sells sheet music to wholesalers and retailers in various parts of the United States. The complaint charges that the company sells its sheet music with purported retail prices conspicuously printed on the sheets, and that the prices so printed are not the real or actual retail prices at which the sheet music is intended to be sold. It is alleged that such fictitious and exaggerated prices are substantially in excess of the prevailing retail prices for sheet music of the company and its competitors.

The complaint states that formerly in the sheet music trade the practice of marking sheet music with fictitious prices prevailed, but that by common consent in the industry this practice has been abandoned by more than nine-tenths of the publishers of and dealers in sheet music. Music teachers and professional musicians were aware of the practice of marking prices on sheet music higher than those actually to be paid for it, the commission says, but it believes that there are many persons among the general public not conversant with the practice and they are misled and deceived by the company's fictitiously priced sheet music, according to the complaint.

THE WORD "pongee" signifies to a substantial part of the trade and purchasing public a fabric composed entirely of silk, and it should not be applied to cotton fabrics, contends the commission in a case against a manufacturer of cotton fabrics in Pawtucket, Rhode Island, and its selling agent in Boston. A prohibitory order has been directed to the parties cited in the complaint. The order requires that they discontinue using as a brand, stamp or label, or otherwise using or applying the word "pongee" on or in connection with any fabric manufactured by the manufacturing company, sold or to be sold in interstate commerce, unless the fabric is a product of the cocoon of the silk worm.

The commission's investigation disclosed, it says, that the Boston company received from the manufacturer cotton fabric undyed, and that the fabric is then dyed at the expense of the manufacturer. With the knowledge and consent of the manufacturing company, the findings assert, the Boston company causes the fabric to be branded or labeled with the legend "De Luxe Pon-

gee," a label designed by the manufacturer. The fabric so labeled, the commission asserts, is shipped to jobbers and manufacturers in every state by the Boston company acting as the agent for the manufacturer.

UNFAIR methods of competition in the enforcement of a resale price system is charged against a St. Louis company engaged in the manufacture of medicinal preparations, soaps, perfumes and allied products. The complaint charges that the company obtains the support and co-operation of distributors of its products in enforcing the maintenance of its price plan. Various methods alleged to have been used in carrying out the alleged price system are presented in the citation, including allegations that the company enters into agreements and arrangements with distributors for the

maintenance by them of its resale prices as a condition of opening accounts or of continuing their supply of the company's products; solicits and obtains from distributors reports of the failure of other dealers to maintain its prices; requires from the distributors pledges of cooperation in the maintenance of its prices and in preventing distributors who fail to maintain such prices from obtaining the company's products.

Fixing and maintaining prices is also charged against a Seattle manufacturer of food and grocery products, sold to wholesale and retail dealers throughout the United States. Among the methods questioned by the commission are:

Requiring salesmen and agents to obtain information as to the failure of wholesale and retail dealers to maintain resale prices; obtaining from wholesale and retail dealers handling its products reports of the failure of other dealers to observe and maintain its resale prices; refusing further to supply dealers who do not abide by its prices unless they give satisfactory assurance that the company's prices will be maintained in the future.

The complaint alleges that the effect and result of the company's alleged acts is to suppress competition between wholesale and retail dealers in the distribution and sale of its products, and to prevent them from selling the company's products at prices they may desire.

DISCRIMINATIONS in prices between "preferred" jobbers and retailers and "ordinary" jobbers and retailers, contrary to provisions of the Federal Trade Commission and Clayton Acts, are charged against three manufacturers of animal feed products in separate complaints directed to the home offices of the companies in Chicago, Cleveland and St. Louis. The alleged discriminations, it is explained, are not made on account of differences in grade, quality or quantity of the products sold by the manufacturers, and are not made in good faith to meet competition, according to the citations.

The manufacturers in the conduct of their business, the commission says, selected certain jobbers and retailers designated as "preferred" to whom they sold their products at regular list prices. They required all other jobbers and retailers, referred to as "ordinary" jobbers and retailers, the complaints aver, to pay certain arbitrary sums of money in excess of the regular list prices. Arbitrary sums of that kind are known to the trade as "overages" and, the complaint alleges, the manufacturers paid the "overages" without the knowledge and consent of the "ordinary" retailers and jobbers, to some of the "preferred" retailers and jobbers. Similar charges are in-

THIS article outlines some of the charges, findings and orders issued by the commission in consideration of complaints proceeding from trade practices in connection with:

Animal Feed
Blankets
Candy
English Broad-
cloth
Food Products

Hosiery
Medicine
Pongee
Sheet Music
Toilet Prepara-
tions
Underwear

The final
Error

5,000 Representative Concerns
are no longer guilty

Today, more than 5,000 representative concerns are sending printed matter and the accompanying personal letter under the SAME cover. They are sending second- third- or fourth-class mail matter accompanied by personal first-class sales letters at the SAME time and at no greater postage expense—often less. They are using Du-Plex or Mon-O-Post Envelopes!

Du-Plex and Mon-O-Post Envelopes eliminate the "under separate cover" nuisance. They provide one sturdy compartment for your printed matter or even small articles of merchandise. And they provide a smaller compartment for that personal punchful sales letter that should accompany every piece of printed matter or merchandise that leaves your place of business via the mails.

Why not add your name to the list of concerns that have stopped making the Final Error? As a preliminary write for our booklet "Suppose This Were Your Catalog." And let us show you how the combination mailing envelope will actually reduce your mailing expense.

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Du-Plex Envelopes, in stock sizes and in average quantities, are sold by many leading stationers. If you cannot secure them locally write direct to "Mailing Information Headquarters."

Du-Plex
2-in-1
ENVELOPES

Pat. U.S.A. May 20, 1920, Oct.
9, 1921, Feb. 28, 1924. Pat. Can.
44a Sept. 30, 1919. Other Pat.
Pending

COLUMBIAN
MON-O-POST

ENVELOPES

Patented July 27, 1922
Other Pat. Pending



When writing to DU-PLEX ENVELOPE CORPORATION please mention the Nation's Business



For It's Always Fair Weather

It's always fair weather in the shop with Fenestra WindoWalls—and production can continue uninterrupted by storms outside.

For particular care is taken to make Fenestra weather-right.

There are five places in a steel sash which require particular protection to prevent winds and driving storms from entering.

Four of these are around the ventilator; the head, jambs, sill and the butts upon which the ventilator swings. The fifth is at the mullion which joins two sash units.

How Fenestra design and construction affords the necessary weather-tightness at these points, is shown in the diagrams at the right.

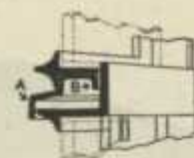
But a soundly designed and well-built product is but the starting

point of Fenestra responsibility to builders. In each local branch office is a complete engineering organization, trained in steel sash layouts, estimating and detailing, which serves the customer, through his architect or contractor.

Prompt shipment from factories at Detroit or Oakland, California, plus warehouse stocks in more than a score of cities, is another feature.

Finally, the Fenestra Construction Company, with 10 Branch Offices and 27 experienced field superintendents, insures correct installation. These offices assume responsibility as soon as the sash leaves the factory and carry the job through to completion and final approval. We like to have you think of Fenestra as a service which produces a satisfactory window installation.

DETROIT STEEL PRODUCTS COMPANY, H-224 E. Grand Boulevard, DETROIT.
For Canada: Canadian Metal Window & Steel Products, Limited, 160 River St., Toronto
Factories: Detroit, Toronto and Oakland



Head of Ventilator



Sill of Ventilator

At Head and Sill—The weathering member has a long leg (a) extending downward to form a perfect drip and insure protection against driving storms. On the inside at the head, the section is turned downward to form a lip (b) which acts as a baffle to air currents.



Butt



Jamb

At the Butt—The butt is protected against driving storms by overlapping of sections. As the ventilator closes, the weathering on the movable section fits down half an inch over that on the fixed section, (c) forming an overlap which sheds water and gives wide surface contact.

At the Jamb—At the jamb a spring steel section is used, which is drawn tight against the sash but by the action of the catch latch at the sill and is really "spring" into two-point flat contact when the ventilator is locked.



Sill



Mullion

Condensation Carried Outside—Fenestra design provides an angle section at the sill, the ends of which are bent at right angles, so that no aperture is left at the lower corners of the weathering. Condensation, instead of seeping through into the building, is guided toward the exterior and escapes through deep holes cut through the sill bar of the sash near the jamb.

At the Mullion—Absolute weather-tightness is assured at the mullion, because of the wide, flat contact (a lap of one inch) between the mullion and the sash on either side.

Fenestra

The Original Steel WindoWall

This Tells
You It's
Fenestra



Price? Service? Quality?

How Do You Buy?

Every user of coal must have one or more reasons for the kind of coal he uses. Price, service, or quality—or all three together—are the determining factors of the purchase.

If, with you, it is *price*—what greater economy is there than a contract with General Coal Company that guarantees a stable figure regardless of strikes, tie-ups, or current market prices?

If *service* is the main issue—consider the fact that General Coal Company provides quick shipment over three trunk lines to all industrial centers of the south and east. Moreover, our combustion engineers are at your disposal to assist you in getting the best results from your fuel.

If the deciding point is *quality* remember this—85% of General Coal Company's customers renew their contracts year after year because their lowered steam production costs are positive proof that *our fuels produce greater boiler room efficiency for less money.*

Our nearest office will gladly consult with you regarding your fuel problems.



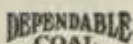
Steam and
By-Product
Coal



Gas and
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Coal



New River
Smelterless



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Anthracite

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That's why many of our subscribers are asking that we send their copy to their home address. If you're now receiving *The Nation's Business* at your office, we'll gladly do the same for you upon request. Just send a post card to the Circulation Manager.

NATION'S BUSINESS
WASHINGTON, D. C.

When writing to GENERAL COAL COMPANY please mention the Nation's Business

cluded in a complaint issued against an Omaha manufacturer of animal feeds.

THE TERM "English broadcloth" should be used only in connection with broadcloth manufactured in and imported from England, the commission believes, and it again emphasizes its belief in a complaint against a New York manufacturer of men's shirts. The complaint alleges that the manufacturer labeled shirts manufactured and sold by it as "English broadcloth" when in fact the material from which the shirts were made was manufactured in the United States. The complaint states that the term "English broadcloth" is understood by the trade and the public to be material manufactured in England, and that the manufacturer's use of the term as applied to its product misleads and deceives purchasers into the erroneous belief that the shirts so designated are manufactured of English broadcloth imported from England.

MISBRANDING and misrepresenting hosiery is condemned by the commission in a prohibitory order directed to a Newark corporation engaged in purchasing hosiery from its manufacturers and selling it direct to the ultimate users. Based on the commission's investigation, the order requires that the corporation discontinue:

1. Advertising, describing, or representing in any manner or form that the corporation is the manufacturer of the products which it sells or offers for sale, unless and until it is in truth the manufacturer of the products.

2. Advertising, labeling, or representing the hosiery which the corporation sells or offers for sale as "fashioned" or "full fashioned" in combination with any other word or words, unless the hosiery is actually made by joining the opposite sides of a fabric which has been knitted or woven flat and open in a form so that it makes a shaped hose when closed, or in which the fabric, so knit or woven, has been cut so that when closed it makes a shaped hose.

3. Advertising, labeling, or representing the hosiery which the corporation sells or offers for sale, as "silk," "chiffon silk," or "pure thread silk" unless such hosiery is actually made entirely of silk from the cocoon of the silk worm.

MISBRANDING of its toilet preparations is charged against a chemical company of Philadelphia. According to the complaint the company is a manufacturer of toilet preparations, and offers for sale to the general public certain of its products bearing labels on which appear the word "Lemon" in conjunction with other words. The names of the products, the commission says, are "Lemon Cold Cream," "Lemon Cleansing Cream," "Lemon Massage Cream," and "Lemon Soap." In each instance, says the complaint, words are added descriptive of the purported qualities of the product. These descriptions particularly have reference to the bleaching effect that lemon juice and citric acid are understood to have on the human skin. None of the products named in the complaint, the commission contends, contain lemon juice or citric acid or properties tending to produce whitening.

AMONG the trade practices said to have been disclosed by the commission's investigation of its complaint against a Baltimore manufacturer of underwear is the keeping of a card list of dealers selling one of its brands, and placing after the names of those who do not maintain its prices the words or initial letters of "do not sell," "do not solicit," the phrases indicating, the commission says, that the dealer so designated was not in the future to be solicited, and in fact to be refused further supply of the underwear by reason of failure to maintain the company's prices. The commission's findings and the order it has issued relate only to the underwear part of the company's business.

The methods which the commission says were used by the manufacturer in effecting its standard price plan included: Making known to jobbers and wholesalers that if they fail to sell the underwear at the manufacturer's suggested resale prices, the manufacturer will refuse to sell

further underwear products to them; guaranteeing jobbers and wholesalers who maintain its resale prices against any decline in the prices of the underwear and notifying them that any deviation from the "suggested" prices would work a forfeiture of this privilege.

The commission found that the effect of the company's price plan was to obtain for it in the sale of its underwear product the elimination of competition in prices among jobbers and wholesalers, thus preventing dealers from selling the underwear at prices which they might regard adequate and justified by their cost and selling efficiency.

The order in the case requires that the manufacturer discontinue directly or indirectly carrying into effect by cooperative methods a system of resale prices in which the manufacturer, its customers and agents undertake to prevent others from obtaining the underwear products of the manufacturer at less than the prices designated by it by the practice of: Reporting the names of jobbers and wholesalers who do not observe such resale prices; causing jobbers and wholesalers to be enrolled upon lists of undesirable purchasers who are not to be supplied with the underwear products of the manufacturer unless and until they have given satisfactory assurance of their purpose to maintain such designated prices in the future; by employing its salesmen or agents to assist in any plan of reporting jobbers and wholesalers who do not observe such resale prices for the manufacturer's products; by utilizing any other equivalent cooperative means of accomplishing the maintenance of prices fixed by the manufacturer for its underwear products.

IN A prohibitory order a blanket company of Philadelphia and New York is required to discontinue using the name of another company except in connection with the words "former lines of" or words of equivalent meaning. The company sells blankets, steamer rugs and automobile robes to wholesale and retail dealers in competition with other concerns. Commissioner Van Fleet dissented to the issuance of the order because he believed there was no public interest in the case, and that it was purely a private controversy.

The commission's findings recite in detail the history of the blanket company's organization, and represent in particular that a man connected with the blanket company bought from the sole proprietor of another company all the stock of merchandise as well as unfilled orders on the books of the company at the time of the sale. The selling company's rights in the trade marks "Hercules" and "Blue Stone" were also included in the contract. The commission found, however, that the contract under which the sale was made did not include the good-will or the use in the trade of the selling company's name. The blanket company, the commission says, after the purchase of the selling company's stock, occupied the premises both in Philadelphia and in New York formerly used by the selling company, and carried on its sign, in addition to its own name, the name of the selling company.

The findings assert that the blanket company's use of the name of the selling company on letterheads, order blanks and other stationery without being accompanied by the words of "former lines of" was with the purpose and intent of deceiving and misleading the trade and public into the belief that the selling company was actually doing business at the blanket company's address.

Pocket Reprints of the Roberts Series

Editorially we take as much pride in the George Roberts series, now running in THE NATION'S BUSINESS, as in anything we have ever given to our readers. Moreover, there are indications that our readers are as pleased with it as we are. We are getting requests for permission to reprint, orders for extra copies of the magazine and inquiries as to whether we shall republish these in more permanent form. To begin with we are preparing them in pocket-size reprints, and we are sure that they will meet with wide acceptance.

What's this book about?

The growing of grain, the raising of cattle, the logging, the building, the transporting, the churning of turbine, the turning of factory wheel, the stir and rush of high-pressure selling, the steady consuming of goods—what's it all about? What does it mean? What, in plain between-you-and-me language, does it all mean?

Julius H. Barnes will tell you in his new book (obtainable from NATION'S BUSINESS at \$1) why the volume product of our industries from 1900 to 1920 increased 95% while our population increased less than half that much; why the farm has less and less to do with the nation's stomach; he will show you the real philosophy of American business; he will *paint pictures in your mind* of the infinite romance in American business.

by Julius H. Barnes

Mr. Barnes, in "The Genius of American Business," takes the dullness out of the cold, dry subject of *Economics*. What he says is *interesting*. Willis H. Booth, V. P., Guaranty Trust Co., New York, writes this about the book, "Biggest dollar's worth I know of. Read three chapters and book is so interesting I am taking it on board ship with me Saturday to read on the way over."

It is commended by Charles W. Eliot, President Emeritus of Harvard University; Silas H. Strawn of Chicago; A. B. Farquhar of York, Pa.; Samuel Vaucrain, President of the Baldwin Locomotive Works, and others. Edwin C. Gibbs of Cincinnati says, "I shall place 'The Genius of American Business' among the prized volumes in my library."

The book is planned for the busy man. Each chapter is brief and gets to the point quickly. The type is clear and easy to read. The book *fits your pocket*. The price is \$1, and a copy will be sent to you postpaid on receipt of that amount.

Pin a dollar bill to this coupon and send it in. The book will come to you promptly by mail postpaid.

To the NATION'S BUSINESS

Washington, D. C.

Enclosed is \$1. Send me one copy of "The Genius of American Business" by Julius H. Barnes.

Name _____

Address _____

News of Organized Business

STATISTICS compiled and published by the Government cannot, naturally, remain accurate for a very great length of time. Conditions which these statistics reflect are in a constant state of flux. The Domestic Distribution Department of the National Chamber works to keep these statistics constantly up to date in order to make more accurate the conclusions which may be based upon them.

Government statistics showing the value of furniture manufactured and sold at retail in the United States during 1921 are being used as a check upon similar figures derived by different methods.

The population of the United States is approximately 110,000,000, and 4.5 persons may be taken as the average family, although this figure varies slightly in different sections. Thus, there are about 24,444,444 families.

For furniture and house furnishings the department estimates a total family expenditure of \$2,015,444,397, which is very close to the figure of \$2,026,444,407 given by the *Grand Rapids Furniture Record*. But "house furnishings" is such an elastic term that the *Furniture Record* has segregated it from furniture and has broken up its total as follows: House furnishings, \$1,077,511,091; furniture, \$948,933,316.

According to the last census of manufactures, the value of furniture manufactured in 1921 was \$553,260,000. To this may be added the spread or margin between manufacturer and retailer—\$417,547,000, the figure set by the Federal Trade Commission. The total, \$970,807,000, is the value of the retail furniture business for that year. A corresponding figure was obtained by the Domestic Distribution Department by a different method. First, the family budget figures of the Bureau of Labor Statistics were brought up to date by applying the price changes that have taken place since these budgets were published. The changes are indicated by the rise or fall of the Department of Labor price index numbers.

With the family expenditures for furniture corrected to date, it is necessary only to multiply this figure by the number of families. The figure obtained by the Domestic Distribution Department was \$948,933,317—an amount which differs from the government figure by about 2 per cent.

Cities Take Part in "Air Meetings"

COMMUNITY publicity by radio is in practice at Charleston, South Carolina. Members of the board of trade arranged for a series of semi-monthly "air meetings," in which civic organizations of other cities participate. J. Gilmore Smith, president of the board of trade, opened the first evening "meeting" with an address on "Charming Charleston." From 8 until 11 o'clock, after Mr. Smith's address, representatives of civic organizations in other cities made similar addresses.

A New War on the Weevil

A COMPREHENSIVE plan for the stabilization of cotton production through more effective and general control of the boll weevil has been made and is now in process of application by the agricultural bureau of the National Chamber's Natural Resources Department.

The plan is to require active cooperation of member chambers in the cotton belt. Chambers holding membership in the National Chamber are to be informed of the position of cotton in international trade and the outlook for the American staple in order to enable them to impress agricultural groups with the importance of more drastic weevil control.

An outstanding feature of the campaign will be the organized effort to obtain the cooperation of member chambers in getting community action toward destruction of cotton stalks in the early autumn, one of the most effective means of combating the boll weevil, by preventing his reappearance next season.

To provide information on its purpose and

plan, the Natural Resources Department addressed letters of announcement to one hundred and thirty chambers of commerce in the South. The letters are to be supplemented from time to time by other information applicable to the campaign.

A Market for By-Products

TO HELP farmers to see how to help themselves, the chamber at Lynchburg, Virginia, established a production and marketing bureau for the sale of farm products. The prosperity of farmers in the tributary trade area is reflected in increased sales of Lynchburg merchants. The market is self-sustaining. It is managed by directors elected by the farmers' own organization. The directors employ a woman supervisor at \$100 a month, when the market is open three days a week. Her salary is reduced when the market is open only one day or two days a week.

From sixty-five to eighty-five farmers bring their products to the market every day. Some communities have bought trucks for the transportation of their products.

A four-page monthly paper is circulated in rural communities. Farmers' advertisements for the purchase or sale of farm products and equipment are inserted free. This sort of advertising usually amounts from two and a half to three columns. Market reports and agricultural information from state and federal specialists are included in the paper. The expense of publication is borne by the advertising of Lynchburg merchants. Through the paper the chamber hopes to increase the number of silos and to encourage better pastures and better care of the hay crop in the interest of cheaper stock feed and higher earnings on investment in cattle.

When the market was established three years ago much of the farm land had been used only for tobacco, wheat and corn. A campaign was begun for the planting of sweet clover to enrich the soil. A thousand pounds of seed were distributed to one hundred boys who were each to plant an acre. Banks offered prizes for the best acre yields, and the county agricultural agent and the district director gave instructions for obtaining a good crop. The farmers were urged to sell products formerly wasted. Truck gardening was not advocated, but emphasis was placed on the possibilities of making living expenses from byproducts, so that income from main crops, such as tobacco or apples, would be clear.

The market has provided an outlet for the so-called byproducts. Surplus apples and vegetables are gathered, attractively arranged, and sold direct to the consumer. Culls, windfalls, and small apples are sold for cooking apples or made into cider and apple butter. Tomatoes are sold fresh or converted into ketchup, chili sauce, pickles, and other relishes. Jams and jellies, canned fruits and vegetables, cottage cheese, skim milk, cream and butter all find ready acceptance at good prices.

The bureau also aids in the marketing of live stock. Banks in cities up to 10,000 and granges in every Pennsylvania community known to buy feeder cattle are kept informed of stock for sale. The advertising helps to keep up local prices. When an outside buyer makes a purchase the fact is reported in the local papers, and the price paid is usually observed by local buyers. In that way, in dull seasons, from \$1 to \$1.50 has been added to the price per hundred pounds of every feeder steer sold in the Lynchburg market territory.

A traffic department investigates freight rates and proceeds to obtain rates that are not discriminatory. It also presents to the railroad companies all claims of shippers.

The market has helped many farmers out of debt and provided money for farm improvement. The men interested in the marketing bureau and the market are working toward federal inspection and certification of products, which would expose any defects in the products and give op-

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your coat

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your bag



Why not cheque your
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Experienced travelers always do. That is, they change their money into American Express Travelers Cheques before they start—thus making sure that if it is lost or stolen, before they properly sign the cheques or transfer them for value, or otherwise—they will not be the loser. In addition, they know the value of the helpful personal Service which goes with these cheques, and which is extended thru the highly developed American Express system of international offices round the world and thru 26,700 Express Offices in the United States and Canada.

Chequing with American Express Travelers Cheques is just as simple as checking your hat or your bag and much more necessary. It's the fine art of Chequing—the key to the fine art of Travel.

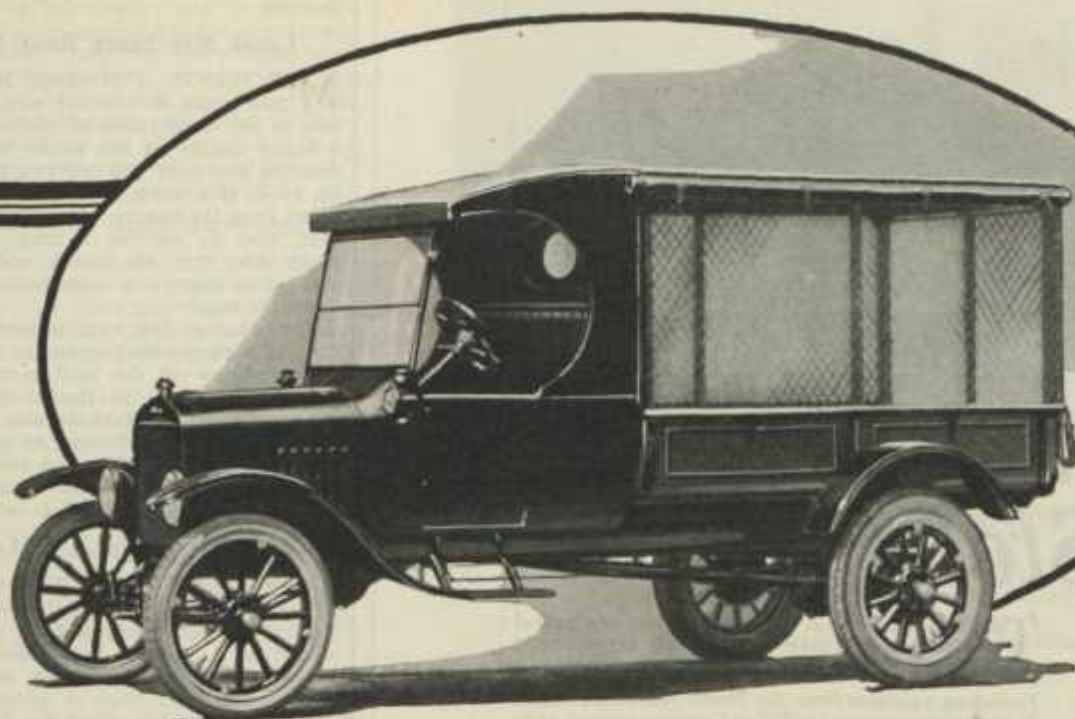
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No more striking evidence of the high regard of truck operators for Ford performance and economy can be offered than the fact that 78% of all trucks in the one-ton class are Fords.

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Only by demonstrating the utmost dependability and proving its ability to save under any and all conditions could this Ford One-Ton Truck have gained and held the good will

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THREE things that may happen to *any* parcel post package. Three reasons why *every* parcel post package should be insured.

Enclosing a coupon from the North America Coupon Book insures automatically and assures prompt payment of claims. The stub is your record of shipment.

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Who are our 155,000 Subscribers? They are executives in 90,947 Corporations*

In these corporations the magazine is being read by the following major executives:

Presidents.....	38,925
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Treasurers.....	8,249
Partners and Proprietors.....	9,486
Directors, Chairmen of Boards, Comptrollers, General Counsel, Superintendents and Engineers.....	6,651
General Managers.....	12,270
Department Managers (Branch—Purchasing—Sales —Export, Etc.).....	11,601
Major Executives.....	121,827
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Total Executives.....	131,055
All other Subscriptions.....	23,932

If this audience represents a market for your products, we shall be glad to give you complete advertising details

The NATION'S BUSINESS
Washington, D. C.

*Figures based on a complete investigation of all subscribers in twelve cities.

portunity for their correction. Better products will mean bigger sales at better prices.—D. B. RYLAND.

Local Merchants Rout Itinerants

MERCHANTS of Mankato, Minnesota, have met prices of itinerant merchants with offers to sell merchandise of similar character "of a better quality at less money despite the fact that the canvasser will tell you that he can sell his goods at a much lower price because he sells direct from the factory. He neglects to tell, however, that he receives a large commission on every sale; that his branch and district managers also receive a commission, and so on down the line."

The offer of the local merchants was made through a page advertisement in the local paper. The challenge of the local merchants nullified the representations of the itinerant merchants.

The chamber at Mankato uses a column each Saturday in the local paper to present its publicity, and reports: "We find this method quite satisfactory, as it places our organization in contact with potential as well as actual members."

Van Wert Believes in Advertising

MERCHANTS of Van Wert, Ohio, believe in special sales to keep business active. To inform prospective customers of the merchandise offered at a "Golden Rule" sale, an illustrated announcement was circulated in the tributary trade area. Each page of advertising bore the line "These Advertisements Are from Responsible Merchants." The illustrations, printed in gravure, included persons and places mentioned in current news reports.

Convention of Junior Chambers

THE FIFTH annual meeting of the Junior Chamber of Commerce of the United States was held in Cincinnati, June 5, 6 and 7. Advance estimates placed the attendance at five hundred.

The program for the first day included registration of delegates, a luncheon at the chamber of commerce, a "get-together" meeting, and an inspection tour of some of Cincinnati's industrial plants. A business session and luncheon at the Hotel Gibson were scheduled for the second day. For the third day the program committee planned a discussion of the outstanding accomplishments of each junior chamber represented at the meeting. The election of national officers and the selection of the city for next year's convention also took place on the last day. The convention closed with an "inspirational banquet," at which the guests were addressed by Arthur Nash, known for his "Golden Rule" shops. The banquet program was broadcasted by radio.

Newark Plans Industrial Show

ALL KINDS of industrial products are to be bought and sold in the permanent industrial exposition of Newark, New Jersey. The building is to stand on Broad Street, opposite Lincoln Park. The site is thirty minutes from Broadway, New York City. A tower 235 feet high will be an architectural feature of the building. Special electrical equipment will be used for the illumination of the tower. The design of the building will provide space for 1,000 exhibits. A central court is to extend from the main floor to an arched roof of paneled glass. The court may be viewed from balconies to be built on the upper floor levels. The exterior of the building will reflect a modified French Renaissance style of architecture; the interior will reveal Spanish effects.

The exposition has been approved by the city government and by the boards of trade of the city and of the state.

A German-American Board of Trade

THE Board of Trade for German-American Commerce, Inc., has been organized for the purpose of reestablishing and promoting commercial relations between the United States and Germany. Branches will be established in important cities throughout the country. The board

announces that it will maintain close cooperation with chambers of commerce and similar organizations in this country and in Germany.

The board solicits applications for membership from responsible firms and individuals interested in the development of trade and the strengthening of business relations between the United States and Germany. Complete information may be obtained by addressing the Board of Trade for German-American Commerce, Inc., 60 Broadway, Suite 507, New York City.

A View of Ohio State Government

THE chamber of commerce at East Liverpool, Ohio, is interested in the reduction of officeholders in the Ohio State government, says *The Ashtabulan*, published by the Ashtabula Chamber of Commerce. A letter from the East Liverpool chamber reads:

"Millions of dollars could be saved the taxpayers each year if a concerted effort were made on the part of payers of taxes in the direction of reducing the army of officeholders. . . .

"Probably the most useless public offices and pure sinecures in Ohio, since the creation of the State Accounting Department, are the treasuries for boards of education, townships, villages and municipalities with the exception of the larger cities. The abolition of these offices will save the taxpayers affected at least a half million dollars annually."

Business Directory of Savannah

A BUSINESS directory and industrial and commercial information are included in the Red Book issued by the Savannah Board of Trade. All concerns and all persons in business are listed in the book. Facilities for serving new industries are suggested in brief appraisals of the steamship accommodations, terminal facilities, inland transportation connections, and similar utilities. According to the foreword, the book is prepared "with the single purpose of helping Savannah upward and onward to industrial and port supremacy."

1923 Review of Auto Industry

THE 1924 edition of "Facts and Figures of the Automobile Industry" has been issued by the National Automobile Chamber of Commerce. Included in the booklet are the results of the first study of municipal taxes on motor vehicles. Reports of city treasurers for 1923 show that city taxes on motor vehicles amounted to \$13,079,000.

The industry, says the review, directly or indirectly, gave employment to 3,105,000 persons, of whom 318,000 were employed in automobile factories. Motor fatalities were reduced in 35 cities. The annual production is placed at 4,086,997 vehicles, with a wholesale value of \$2,252,396,257. Exports gave a total of 328,997 vehicles. The registration in the United States was 15,092,177. The capital invested in the industry is reported at \$1,571,722,411; wages and salaries, \$579,002,682; the number of car manufacturers, 90, and the number of truck manufacturers, 147.

The review also includes statistical information on various aspects of the automobile industry, and related industries.

Mayors Hold Good-Will Membership

THROUGH the mayor of the city the Salt Lake City chamber and the Commercial Club have extended membership to the mayors of all cities and towns in Utah, Idaho and the intermountain states. The new members were invited to make use of the chamber's facilities when in Salt Lake City.

A Directory for Shippers

A DIRECTORY of shipping routes has been issued by the Grand Rapids chamber. The directory includes an alphabetical list of railroad stations in Michigan. With the directory, shippers may be informed of prepaid stations and the shortest and best routes for shipment of their merchandise. Shippers of Grand Rapids are requested to abide by the instructions, regardless of any attempt by railroad representa-



The Switchboard Comes to Life

Zero hour approaches. Wire chief and assistants are set for the "cut-over" that will bring a new central office into being.

In the room above operators sit at the new switchboard. Two years this equipment has been building. It embodies the developments of hundreds of engineers and incorporates the scientific research of several decades. Now it is ready, tested in its parts but unused as an implement of service.

In the terminal room men stand in line before frames of myriad wires, the connections broken by tiny insulators. Midnight comes. A handkerchief is waved. The insulators are ripped from the frames. In a second the new switchboard becomes a thing alive. Without their knowledge thousands of subscribers are transferred from the old switchboard to the new. Even a chance conversation begun through the old board is continued without interruption through the new. The new exchange provides for further growth.

This cut-over of a switchboard is but one example, one of many engineering achievements that have made possible a wider and prompter use of the telephone.

To-day, in maintaining a national telephone service, the American Telephone and Telegraph Company, through its engineering and research departments, continuously makes available for its Associated Companies improvements in apparatus and in methods of operation.



AMERICAN TELEPHONE AND TELEGRAPH COMPANY
AND ASSOCIATED COMPANIES

BELL SYSTEM

One Policy, One System, Universal Service



Airplane view of the Firestone Tire & Rubber Company in Akron, Ohio

Photo by Fairchild Aerial Camera Corp.

What the photograph shows

What the photograph shows is important to the investor.

It gives a broad view of the actual property and plant from which earnings are derived. Add to this a careful study of the history, organization, product and good will of the business and you have a real picture of the values back of its securities.

You will find National City Company representatives qualified to give you a complete analysis of the value back of every issue of securities which we recommend.



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You will find offices in more than 50 leading cities in the United States, Canada and abroad.

BONDS

SHORT TERM NOTES

ACCEPTANCES

Do You Know Porto Rico?

A fine place for winter golf and motoring!

Correct, if you're thinking about the American business man.

But not so fine for thousands of hungry natives, eager to work but employed only part of the year, unable to reach outside labor markets because there is no way to get there.

Uncle Sam has a pressing problem to solve in Porto Rico, and George Cary tells about it in "The Island of Too Many People", appearing in the August issue of *THE NATION'S BUSINESS*.

tives to divert traffic, but explanation is made that "these instructions are issued with the knowledge, consent and approval of the railway companies serving Grand Rapids. We have not shown motor truck routes. We have shown interurban lines."

City Says It with Anecdotes

NEW ORLEANS newspapers have printed daily anecdotal articles on New Orleans, prepared by the Association of Commerce. All the articles end with reference to the importance of coordinated effort in community development and to the work of the association.

Fort Wayne's importance as a commercial and industrial center has advertisement in a series of articles prepared by the chamber for publication in local newspapers. Retail trade, wholesale trade, manufacturing and finance are representative of the subjects considered in the series.

Petersburg Boys Govern City

BOYS can be businesslike on occasion. Fresh testimonial to the good judgment of boys comes from Petersburg, Virginia, where representatives of the Boys' Chamber of Commerce governed the city for an entire day. The whole administrative machinery was entrusted to their care, from city manager to traffic cop. After that demonstration of their ability, the boys showed they could run a newspaper by issuing a special edition of the *Progress-Index*. They prepared all the text and managed the business office of the paper. Similar demonstrations of boys' management are to be made in one of the city's hotels and in one of its factories.

A Book on Southern Pine Homes

DESIGNS and floor plans of fifty homes of moderate cost are included in "Southern Pine Homes," published by the Southern Pine Association. The book is now in its second edition. The first edition of 15,000 copies was exhausted in two weeks. The book is distributed free to persons living east of Denver, with the exception of persons living in the Dakotas and in Minnesota.

To meet the demand for "Modern Homes," a similar house-plan book published by the association, 300,000 copies of the book were distributed in a little more than two years. Orders for blue-print plans of homes included in books published by the association established a new record, the association announces, indicating that home building throughout the country is maintaining its considerable proportion of the general construction for the first half of 1924. The detailed blue-print drawings are sold at a nominal price with the idea of enabling persons of moderate means to select designs and to obtain building plans suitable to their needs and purses.

World Power Conference in London

MORE than two hundred mechanical, electrical, civil, and marine engineers of the United States sailed on June 19 on the S. S. *Scythia* to attend the world power conference to be held in London, June 30 to July 12, in connection with the British Empire Exhibition. Presenting thirty-seven papers of their own and prepared to take part in the discussion of the hundreds of papers to be presented by engineers from twenty-six other countries, the American representatives will give their international associates full information on the latest developments in American methods. Eight technical, twelve business and nine government organizations interested in power development will be represented at the conference.

The subjects for discussion include: Ship propulsion, power for agriculture, railroad electrification, electro-chemistry, steam and internal combustion engines, illumination, nitrogen fixation, and water-power development and super-power.

O. C. Merrill, executive secretary of the United States Federal Power Commission, Washington, D. C., is chairman of the American committee. Secretary of War Weeks is honorary chairman.

and Secretaries Work, Wallace and Hoover are honorary vice-chairmen.

A Dairy Development Society

TO STIMULATE wider utilization of dairy cows and to strengthen the state's dairy industry, the chamber of commerce at Omaha, through its agricultural committee, has organized the Nebraska Dairy Development Society. The society will provide advice to farmers in the purchase, feeding and care of dairy cows, will cooperate with the state college of agriculture, county agents, agricultural departments of Nebraska railroads and dairy associations, and will provide means for financing the associations.

Early last January, Carl R. Gray, president of the Union Pacific Railroad, chairman of the chamber's agricultural committee, and subsequently elected president of the dairy society, called a conference for January 19 of the state's leading business men at the Omaha chamber of commerce to ascertain if they favored an organization in the interest of the dairy industry. The representations made at that time were enthusiastically endorsed, and Mr. Gray was instructed to call an organization meeting February 20 at Lincoln.

The society is now engaged in raising \$100,000 for the employment of dairy experts and for financing the society's work over a five-year period. Chambers of commerce in the state have been asked to contribute to the fund. Business men of Omaha have pledged \$40,000 to the fund, and business men of Lincoln have subscribed \$15,000. Memberships are being sold to all persons, including farmers, interested in the society.

Purchase of the dairy cows will be made by farmers through local organizations of business men, who will obtain financial aid from the Intermediate Credit Bank of Omaha. Payment for the dairy stock may be made by installments. It is expected that from 400,000 to 500,000 dairy cows of the finest breeds will be brought into Nebraska during the five-year period for which the financial arrangements are made.

The officers of the society are: Carl R. Gray, Omaha, president; Dan Morris, Kearney, vice-president; and Prof. H. P. Davis, Lincoln, secretary-treasurer. The members of the executive committee, selected from twenty-five trustees, are: H. J. McLaughlin, Doniphan; Walter W. Head, Omaha; A. L. Haecker, Lincoln; Ole Hanson, Orleans, and L. B. Leonard, Scottsbluff.

JAMES W. HANBERRY.

Brazilian Chamber Issues Magazine

BRAZIL is seen through American eyes in *Brazilian Business*, the monthly magazine published by the American Chamber of Commerce for Brazil at Rio Janeiro. Publication began in April, 1921, with the purpose of presenting timely and useful information on Brazil's commercial activities, her trade and industries. Special numbers are issued from time to time. The pages are 12½ inches by 9 inches, and three columns wide. Illustrations are numerous and of educational value. The magazine is managed by D. O. Naylor.

Coming Business Conventions

Date	City	Organization
30-July 2	Cedar Point	National Macaroni Manufacturers Association.
30-July 3	Milwaukee	American Electro Platers Society.
July 14-20	London	Associated Advertising Clubs of the World.
14-20	London	Public Utilities Advertising Association.
15-18	Baltimore	American Institute of Banking.
22-25	Los Angeles	National Association of Life Underwriters.
25-27	Cleveland	United States League of Local Building and Loan Associations.



Every radio fan knows WJAX is the Union Trust Co., Cleveland. This biggest Middle Western bank has just completed a huge bank and office building at the third busiest corner in America.

The steel equipment is by Van Dorn—one of the largest single orders ever placed! It includes acres of steel furniture, files, cabinets, counter tops, cagework, lockers and shelving.

The building, one might say, becomes a vast show room of Van Dorn products, "broadcasting" Van Dorn quality to the world. A notable installation, surely, with a moral for every buyer of steel equipment!

THE VAN DORN IRON WORKS COMPANY, CLEVELAND

Branches: Cleveland New York Chicago Philadelphia Washington Pittsburgh

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"I've had a good deal of experience with various kinds of stocks and bonds. I have made money on some—lost on others. But with all the time I have spent on my investments, I never averaged a 7% return until I began to invest in first mortgage real estate bonds."

"These 7% Adair Protected Bonds are a sensible investment—safe, stable and profitable. They are issued and safeguarded by the Oldest Mortgage Investment House in the South—a house which for 58 years has created and offered first mortgage investments of such a high type that not a single customer has ever lost a dollar."

"Now, the question of reinvesting my funds never bothers me. I simply buy 7% Adair Protected Bonds, which are just about as profitable an investment as it is possible to obtain. At 7% my money will practically double every ten years."

You, too, can relieve yourself of all worry and trouble in connection with the reinvestment of your July funds. The coupon will bring you full information about these sensible, safe, profitable 7% first mortgage bonds, together with our booklet, "How to Judge Southern Mortgage Bonds." Mail it today.

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Adair Protected Bonds may be purchased upon our Monthly Investment Plan, which is aiding thousands in the accumulation of wealth. Details upon request.

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POPULAR discussion of economic conditions in Germany rests usually upon a very slender foundation of fact because in the past so much has been passed from one person to another, and from the press to everybody, as inside information which in reality was nothing but hearsay or opinion or travelers' tales. The trade press prints facts, however, because it is concerned with them only and not with propaganda or sensation; by gathering data on shoes and sugar, on coal and clothing, on building and organization, one gets a fair picture of "the economic man" and can make one's own estimate of Germany and her possibilities therefrom.

Coal.—Output of coal—Germany's essential—is reported by *Automotive Industries* as increased to pre-war level, in nearly all its branches. Especially lignite, "upon which energy has been thrown since the Ruhr occupation, has increased more than 60 per cent. The total production in March of bituminous coal, coke and lignite, throughout Germany, exclusive of the Saar Basin, was 26,000,000 tons against 22,600,000 for March, 1913."

Coal Age observes that "Coal output in the Ruhr during March is reported to have been 8,254,490 tons. This compares with 7,050,058 tons in February and 6,187,481 tons in January of this year, and 8,939,855 tons in March of 1913. Inasmuch as the output of three French "regie mines" is omitted in the figures for last March it is taken to mean that coal production in the Ruhr is now fully restored."

Lignite.—In his "German Letter," from Cöthen, Germany, *Industrial and Engineering Chemistry's* correspondent writes of the Leipzig spring fair, this year, that it "surpassed all previous ones in abundance of display. The principal event . . . was the exhibit of the lignite industry. . . . During the war and since then lignite has received increased attention in Germany, and has often satisfactorily supplanted anthracite coal."

Steel and Iron.—As for steel and iron, *The Iron Age* states that there is improvement in the trade, "smelting and rolling mill concerns having work for three months. . . . The pig iron syndicate has increased foundry iron prices by 2 to 9 gold marks per ton (48c to \$2.17) declaring that existing prices are 10 per cent below cost of production. If this continued it would compel the smelters to blow out their furnaces."

"Since the improvement in franc exchange, the French and Belgians are unable to compete in Germany. Thyssen has received large Swedish orders for steel rails. The Solingen steel companies report an increased domestic but weak foreign demand. . . ."

German official figures showed 712,000 unemployed in the unoccupied territory the first of April, against 978,000 March 15, and over 1,500,000 at the beginning of the year, proving that the "industrial recovery is very rapid. . . . Shortage of working capital still hampers production and checks buying. . . . The money need continues acute. . . . Private banks are charging 90 per cent a year on advances and allowing 15 per cent on deposits subject to two weeks notice of withdrawal. . . . Per capita output, both in coal mining and iron and steel production, is increasing. . . . The average worker who is actually engaged in manual production has restored his efficiency approximately to pre-war level."

Timber.—The situation in the timber markets is becoming firmer, reports *Southern Lumberman* through its Berlin correspondent; "buying is done by consumers as well as by speculators. It is the revival of the building activity which has caused a good many contracts. . . . If the situation, taken as a whole, may be considered as promising, there are some decided

drawbacks which darken the horizon of the timber trade. There is, first, the financial stringency from which the whole commercial and industrial life of Germany is suffering, and then the drawing of balances in gold marks, which is required by law, shows that a good deal of the pre-war fortunes have been eaten up by that terrible inflation. Another dark cloud is to be seen in the threatening strikes as a consequence of insufficient wages. When trade was broken down the workers were reluctant in regard to their demand for higher wages, they simply tried to hold their own. But now, with the revival of business, they are coming forth with their demands, and in some places, especially in Southern Germany, strikes and lockouts have already occurred."

Sugar.—Sugar, another important product, is reported quiet, by the Berlin correspondent of *Sugar*. "There are many inquiries, but the general scarcity of ready money is still hampering trade. The terms of the refineries, for payment with the order, are also acting as a restriction to more extensive buying. There is, however, a large demand, and customers are urging the delivery of lots bought. Prices have been fairly steady, with a tendency to advance. . . . Manufacturers are holding back supplies for the home market, as well as for exports, in expectation of higher prices later on. This retaining of goods is a practice which has been developed during the time of inflation, and in the case of sugar, this is certainly the best policy from the manufacturer's point of view, as prices are almost sure to advance during the course of the year."

German Sugar Dull

SOME firms are, however, obliged to sell, as they need the money to meet their own obligations. In molasses little business is done. . . . Foreign customers are trying to get German sugar cheaply, but manufacturers are not coming down with their prices. Export trade is therefore quiet, in spite of the prevailing demand. . . . Keen foreign competition proves a bar to extensive sales of German sugar abroad. Moreover, it must be considered that the production of last season is insufficient to meet the home requirements for the whole of this year, and imports will probably have to take place during the summer to make up for the deficiency. The issue of export permits is only a measure of emergency with a view to providing foreign exchange in the interest of the stabilization of the currency. . . . Official production figures for the first five months of the 1923-24 season are 7.2 million tons of beets being worked up, compared with 9.29 million tons during the same time last year. Raw sugar production during this time totaled 1.1 million tons and 1.42 million tons; refined sugar production 611,000 and 731,000 tons respectively. The inquiry of the Verein der deutschen Zuckerindustrie about the total result of the 1923-24 season shows a reduction in the output of sugar by 20 per cent, compared with 1922-23 and of 49.6 per cent compared with 1913-14. The yield of sugar amounted to 15.3 per cent of the beets worked up, against 15.4 per cent last year."

Shoes.—German shoe concerns are fairly busy, says *Hide and Leather*, although their increased activity has "not reached pre-war level, nor can this be expected, as far as can be foreseen, because the public's purchasing power is not as great now as then. Demand is gradually being restored for quality goods, which enjoyed but little popularity during the inflation period, and gave way to staple lines. The market is now good for boys' and girls' shoes; colored and patent leather low-cut shoes for women are also in good demand, a seasonal tendency. Workmen's shoes are selling well, as are sport



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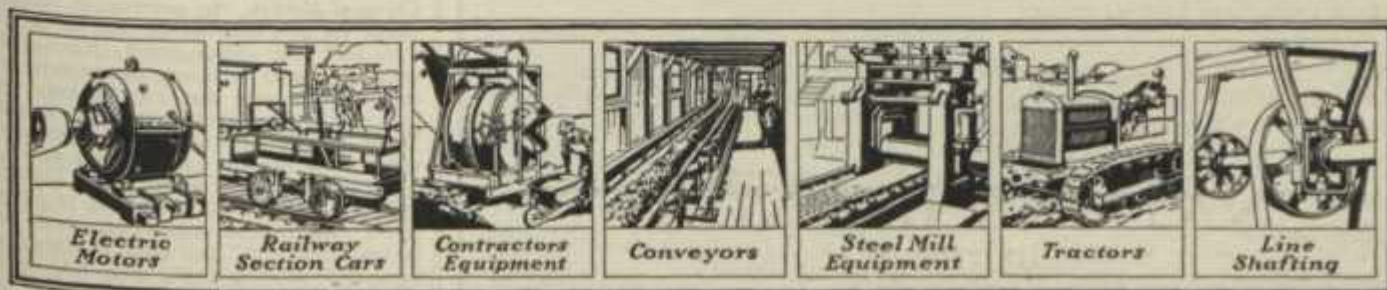
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NATION'S BUSINESS
WASHINGTON, D. C.

shoes. Attempts to decrease prices of shoes were in vain. On the contrary, price increases have had to be put into effect, as a result of increased prices of raw materials. Better credit terms have been granted dealers, however, with a consequent enlivening of business."

Automobiles.—The world is watching Henry Ford as usual, but the German automobile world is especially attentive just now. Plans to build Ford cars in Germany are hailed by most German manufacturers as likely to stimulate an appetite for motors that when sufficiently keen to be profitable can be satisfied—not with the American product—but with a German article better and cheaper, the Germans insist, than the Ford car. *Automotive Industries* expects that "a big fight will be waged by American manufacturers to get a footing in Germany."

Dyes.—*Drug & Chemical Markets* gives us a statement of the German-British dye situation, quoting Herbert Levenstein, a British dye manufacturer, as follows: "Prior to the war they supplied 80 per cent of the English requirements for dyes, usually reckoned at 20,000 tons. Imports into this country were valued at about £2,000,000, and one may safely assume the German net profits in the English market to have been about £500,000 annually. At present they are practically excluded from the British market, for the total imports from Germany during the last 14 months only amounted to 1,000 tons. The position is, in fact, reversed, British makers now supplying something over 80 per cent of the requirements of the country."

After Dyes Lead Again

THE JOURNAL reports, elsewhere, that "the German Kartel is reported laying preliminary plans to regain the world's export dye markets alone. The Orient, the United States, South America, India, Canada, and the continent of Europe were once almost the exclusive markets of the Kartel as far as the sale of dyestuffs was concerned. That was in the days prior to 1914 when the German dye combine was a more wealthy and powerful group with a wonderful world-wide sales organization. That was in the days also when the members of the combine were capitalized in marks worth close to a quarter-dollar in every money market of the world. Today, conditions are different in Germany and in the export markets. Not only is the Kartel's economic position weaker than before the war, but there exist two new national dye industries capable of affording real competition—the English and American. If the Kartel again attempts to dominate, it will succeed only after overcoming greatly strengthened competition."

"What will be the effect on a non-compromising American industry if the Kartel declares open war? If the American industry is compelled to fight for its life at home, and finds the export markets closed to its products, where will the numerous small dye manufacturers stand? The inevitable result of intensive competition is a tendency to form large combinations for greater financial strength and efficiency. The tariff may help the small producer to some extent, but it is not high enough to bring about miracles. With sharpened competition at home, the big organizations may be the only ones able to resist. At any rate a tendency toward a small number of large manufacturers here would probably be the natural outcome of increased competition from the Kartel."

In Washington, unofficial reports have been received from Germany, continues *Drug & Chemical Markets*, "by government officials, indicating the possibility of the British-German dye agreement being consummated. None of the government experts receiving the reports will discuss them because they are not only unofficial but merely indicate the trend of negotiations. These reports are directly opposite to those which were received some months ago."

Potash.—Sales of potash in the United States "which before the war amounted to 49 per cent of the total German exports of potash, have increased since 1919," says *Drug & Chemical Markets*—1920 showed 83,602 tons K₂O, and 1923, 112,679 tons K₂O.

Porcelain.—According to *Crockery and Glass Journal*, "the Upper Franconian and Upper Pal-

tinat porcelain industries, which during the period of inflation had been obliged greatly to reduce activity, have made an extraordinary good recovery during the last few months. A large number of factories have increased working hours and taken on additional hands. Inland order books are very well filled, but export business has not yet been set going. In most cases the German costs of production are above the world market prices."

Business Conditions.—An idea of the state of business in Germany may be gathered from *The Iron Age*: "At present, business [tools] is mainly done in the western districts and on the Ruhr, in Saxony, and in South Germany. Export trade with Austria, Luxemburg and Denmark is improving. Polish Upper Silesia is showing an especially strong demand, while France, Belgium and Switzerland, which before 1914 were some of the principal customers for German tools, are placing few orders." And further—"Necessity is forcing industrial combination. Owing to the economic crisis there is a strong tendency in the engineering industry to combine and several important negotiations are pending." A "working agreement" has been effected in the mines and iron industry linking "one of the largest firms in the locomotive and engineering industry to a mining and iron concern with an enormous coal and coke basis and a developing iron production." Similar agreements have been concluded in the tool-making industry, steel, motors, etc.

American Bankers Association Journal points out that German industry is mortgaged: "Industry in Germany has had a mortgage placed upon it of 5,000,000,000 gold marks. The idea of this mortgage was twofold. In the first place, it was to enable the raising of certain funds, and the amount that they expect to get under that would be on a basis, ultimately, of 6 per cent or 300,000,000 gold marks. That would be annually. But the other point—and that is a very important fact—lies in the fact that this is going to bind all of industrial Germany into these reparation payments so that they will see that it is entirely against their interests for them to allow the German government to default. In the past they have had to pay taxes to the German government for such amounts as have been demanded but they have not been obliged to make payments in any totals that would make it possible to pay reparations. Now the whole of industrial Germany, with this mortgage upon it, is going to desire that reparations be paid and that the whole thing be settled."

May Move Mills Abroad

GERMANY may be mortgaged and hog-tied, but news items and comments in the press lead one to acknowledge that commercially she is to be reckoned with. *Textile World* gives us the following extract from a recent report to the Department of Commerce from Consul Louis G. Dreyfus, Dresden, of particular interest because of the recent establishment in Reading, Pa., of a branch plant of Max Pfau, German manufacturer of infants' and children's hosiery: "There are still rumors that certain manufacturers are contemplating the removal of their mills to the Netherlands, Austria, and to the United States, due to the heavy governmental taxes on the industry in Germany. The Austrian and Dutch markets are regarded as fit for this purpose as they absorb large quantities of hosiery, whereas the removing of mills to the United States is not very seriously considered on account of competition. It is also felt that the new firms in the United States would need strong financial backing in order to meet competition."

Electrical World observes that "German products are invading the South American markets with considerable effect. For instance, 50-cp. metal-filament, screwsocket Osram lamps are being offered at 7 cents gold each, c.i.f. A state power company, instead of buying 100,000 as at first intended, actually purchased double that quantity. A 10,000-kw. turbo-alternator for the same company was also ordered from Germany and a very good delivery was obtained. In small electrical accessories the Germans, it is said, are quoting the most extraordinary prices. Standard-type flush switches, well made and finished,



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MOST concerns never authorize the erection of a plant addition until the need is immediate. The orders which justify the addition are generally already on the books. The speedy completion of the work therefore becomes a matter of dollars and cents. The sooner the builders are through and the factory at work, the quicker the orders will be fabricated.

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The father and mother who plan ahead, and who know that they will have a definite sum of money at hand when their children reach "college age" and the larger expenses begin—and that this sum is assured whether they live or die—have an inward sense of safety that cannot be taken away. Children who see the bright future of college have an added eagerness to prepare for this future.

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are offered at 15½ cents gold each; 9,000-volt porcelain insulators at 12½ cents each, 17,000-volt porcelain insulators at 29 cents each, 220-volt alternating-current 10-inch. table fans with wire guard and flexible cord, excellently finished at \$3.60 each, domestic irons, 'Hot point' type, at \$2.15 each with cord and plug. The Germans actually call these irons 'Tipo Hotpoint.' An excellent quality of ¾ in. gray-proofed insulating tape in rolls of 25 meters each are offered at 35 cents per pound; lamp sockets are 6¼ cents each; wall plugs, standard type with porcelain base and plug, at 6¼ cents each; push-type pear switches, excellently finished at 7½ cents each, etc. It is further stated that large orders are being placed at similar prices for every sort of electrical goods. A combination of excellent qual-

ity and low prices always spells commercial success.

A German delegation of 15 came recently to New York to attend the World Motor Transport Congress, and *Automotive Industries* states that while here the Germans expect "to complete arrangements with New York banking interests for a big fund which will permit of the importation of American cars without so much red tape as usually accompanies such a transaction."

Finally, we have, according to *The Iron Age*, a Board of Trade for German-American Commerce, Inc., recently formed in this country "for the purpose of reestablishing and furthering trade between the United States and Germany." A list of directors' names shows an entirely German personnel, all of New York. Acceptance of the Dawes report already increases German stability.

Business Finding Its Voice

Some Book Reviews

THERE lie before us three books on different subjects but with one thing in common:

"The Genius of American Business," by Julius H. Barnes (Doubleday, Page & Co.).

"A Merchant's Horizon," by A. Lincoln Filene (Houghton Mifflin Co.).

"Taxation, the People's Business," by Andrew W. Mellon (The Macmillan Co.).

In each case the author is a man who has prospered largely in business, Mr. Barnes as a dealer in grain, Mr. Filene as a retail merchant, Mr. Mellon as a banker. Each might be classed by the soap box orator as a "parasite." Yet each has done wide public service, in office or out; each is an idealist.

A first-rate development is this effort of business to find a voice, to meet squarely the charge of dollar-grubbing selfishness. Business has been all too apt to defend itself by silence.

Elsewhere in this issue, an elder statesman of the Middle West, Ol' Ed Howe, discusses Mr. Barnes' book. Let us for a moment look at the things that appear on Mr. Filene's horizon. Largely it is a story of retail store management as the Filenes have worked it out in their own place of business.

William Filene's Sons Company and the Filene Cooperative Association have been written about and talked about until it sometimes seems that most readers of business magazines must be sick of the very name; yet the company has made a notable contribution to business methods. It has put in practice projects about which others have contented themselves with talking. Mr. Filene resents his store being called a "laboratory" for "experiments," but the phrase will come to mind.

It is interesting to see what underlies the Filene philosophy of improved industrial relations. Here is a keynote from the first chapter of the book:

"The moves my brother Edward and I may have made toward sharing responsibility with our people were made primarily for good business reasons, and our work associates so understood. For it is safe to say that one must make a business success if his contribution to the liberalizing of business in general is to count. Any broad advance that might come of our efforts we preferred to regard as of secondary importance.

"This is not to belittle the satisfactions in human progress. There are those satisfactions. The point is that the betterment cannot be lasting unless it is made to pay for itself, unless it is pursued for business reasons and in a business manner. Humanitarianism itself needs to be more business like, as business needs to become more humanitarian. If we are ever to make substantial progress in liberalizing business, it is indispensable that these things shall be thought of together."

Perhaps Mr. Filene here overstates his financial motives. Business men have a horror of being called sentimentalists. But it's a sound note. We could coin a slogan, "Progress Must Pay."

With this extract in mind Mr. Filene's account of the birth and growth of the Cooperative Association, with its Board of Arbitration and its Suggestion Committee, and the methods in which

employees share in profits and in management, will repay reading.

The Filenes have faced also the question of carrying on the business. Here was their philosophy:

"Business is still too dynastic in its forms of ownership and management. And it loses accordingly. By human laws a man may transmit his business to his heirs. He is not so sure of transmitting at the same time whatever of business acumen and vision he may possess. The laws of nature do not always operate that way. Yet the practice of keeping a business within a family and handing it down to inheritors goes on as if ability were as easily bequeathed as money. Our conviction ran to the contrary. We had a desire to see our business perpetuated as a thing of profit and of significance. To be more certain of this, we stepped outside of the bounds of relationship in choosing our partners, and outside the usual custom in giving them standing and fixing their powers. They were to be on an even footing with ourselves."

Mr. Filene has gone beyond the Filene store when he seeks to put himself on paper. He talks sanely and entertainingly of the community's share in the betterment of industrial relations, of education and the business man and kindred topics. All in all, worth reading.

Secretary Mellon's little book is a defense of the tax bill now shelved for a measure, which President Coolidge has signed with a declaration that "it is not only lacking in tax reform, it actually adds some undesirable features to the present law." Another session of Congress may see an effort to pass a bill more nearly in accord with Mr. Mellon's ideas, which gives his exposition a lasting value.—W. B.

The Business Letter Writer's Manual, by Charles Edgar Buck. George H. Doran Company. Price, \$3.00.

There are so many books on this and closely related subjects that there must have been some difficulty in discovering a treatment which should present new aspects and new points of view. But whatever difficulties may have been encountered, the result is eminently successful. The whole field of business-letter writing has been embraced so effectively that the title might have been with equal propriety "The Business-Letter Writer's Complete Manual." Beginning with an analysis of good, bad and indifferent phrases used in the opening and closing of letters, the reader is taken through every essential detail of commercial correspondence, even to suggestions for good letterheads.

The chapter headings are inspiring: Some Powerful Factors in Business Letters, Word Usage, Letters of Inquiry, The Order Letter, The Complaint Letter, The Collection Letter, Special Types of Business Letters, Sales Letters, and last but not least, Hints of Special Value to the Secretary and the Stenographer.

If this book does not result in raising the standard of the correspondence of those into whose hands it may fall, there is very little hope that anything could do so.



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The advertising manager said: "Our advertising will be aimed at the engineer and superintendent, even the worker in the plant in some instances." *Nothing was said about the higher executives.*

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And that year as usual, after weeks of expensive sales effort, thousands of vice-presidents asked the disturbing question—"Are they the right people to buy from?" Thousands of treasurers did their part in canceling weeks of expensive sales effort by saying, "Isn't the price out of line?" And thousands of buying conferences brought the answer "No" to waiting salesmen when it might just as well have been "Yes."

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CUBA

MANUFACTURERS who desire to be accurately informed of what is happening in Cuba should send for free sample copy of "Cuba Twice-a-Month," a semi-monthly bulletin giving in condensed form—in English—a carefully prepared résumé of the political situation, labor conditions, sugar crop and business generally in the Island.

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INCREASED cost of living has had a surprising effect on the incomes of widows and orphans. It appears that their need of money is the very thing that sooner or later reduces them to less money or even to poverty.

We'll suppose that a widow was left with gilt-edged, long-time securities that net her an income of \$3,000 a year. For an economical person, this might have been enough to keep a little family together in a comfortable home a few years ago. But with the increase in rents, groceries, clothing and everything else, a person who once lived well enough on \$3,000 has had to face a serious situation.

A woman who feels that she must have more than her \$3,000 income and has no earning power, sees but one chance—to reinvest her funds in securities that will give her a larger yield. Once she starts this, her name is enrolled on a score of sucker lists and she is soon well on the way to losing her entire legacy.

JUST the other day a young widow with whose husband I once played hooky from school was telling me about her urgent need for reinvesting her small capital. She said that her property is almost entirely in bonds yielding an average of about 5 1/4 per cent, but to live at the modest scale to which she has been accustomed, she must have at least 8 per cent. She paid me the compliment of asking my advice about what she should do.

I explained that I have never been in business and knew practically nothing about business—except the little nuggets of business wisdom I sell to magazines—but I was nevertheless certain that she, with two small children to raise, needed safety of her principal far more than greater income, and that she would be foolish to monkey with any bonds paying much more than 6 per cent.

"But," she retorted, "I've got to have more."

Whereupon I also retorted: "But suppose more isn't to be had?"

"Oh, I'm going to see a man tonight who has some securities—some very good ones, too, he says—that will pay 8 1/2."

I tried to tell her about the great number of seemingly lovely characters, with plausible conversation, who make a fine living annexing the funds of widows and orphans, and she promised me to try to get along on what she has. But I haven't the slightest doubt that by now she has lost at least part of her money, and unless I'm mistaken, within five years she will be penniless.

HARRY CRANDALL of Washington, D.C., is rated as more than a millionaire. He derived his fortune from a string of picture theaters in the capital. But the inter-

esting thing about Crandall is that his business success seems to have been due to his lack of what is commonly called education. He quit school in the fourth grade and, he told me recently, he doesn't recall ever having read a book, with the sole exception of *Black Beauty*.

The only explanation must be that Crandall was born with a gift for seizing opportunity. What he knows he didn't learn from textbooks. His lack of education seems to have been a great asset to him, just as it has been to Henry Ford. Ford and Crandall, because of that lack, have never heard of various things that can't be done. So they go ahead and do them.

At one time Crandall was in the livery business, but he sold his horses when he observed the first noisy horseless carriages moving about the streets of Washington.

"They'll take the place of horses," he said to a former schoolmate who had gone on through high school.

"I don't agree with you," declared the other young man. "Do you think they'll ever be able to haul a big load of coal up some of these steep hills?"

"Of course they will!"

"If you had studied physics in high school, you would know something about the principle of a gas engine and understand its limitations."

"I admit I know nothing about physics," replied Crandall, "but just the same, I'm going out of the horse business. I intend to watch my chance and get into something that's coming instead of going."

"WE LAWYERS should admit," a successful attorney recently told me, "that most business contracts don't amount to much except as a memorandum to let each party know the aim of their transaction. If the contract is mutually satisfactory, nobody will try to break it, and hence there is really no need of having it drawn. No documents are necessary to make two people go ahead with something they both want to do. But suppose, on the other hand, the contract isn't mutually satisfactory and one party will wish to break it. In that event, the contract had better not be drawn or agreed to in the first place. If it is drawn, the chances are that the dissatisfied party will find some way to break it, or he will make the enforcing of it so expensive there will be little use to do it."

A NUMBER of arbitration commissions are now in successful operation for the use of persons engaged in certain lines of industry that they may avoid the tedious delays of courts. Business disputes are disposed of quickly, economically and with every effort to enforce justice. Yet a few disputants always prefer the courts to arbitration boards. Observers say that those who thus prefer the courts are usually the very ones whose claims are least sound. They think they can dilly-dally and take advantage of legal hocus-pocus and delays to force a compromise settlement that will defeat simple justice. Thus courts may become the haven of the unscrupulous.

THE FATHER of former Senator Jonathan Bourne was a shipper at New Bedford, Mass. He possessed Yankee thrift, and was business-like right down to fractions. One day an anchor was left lying on Bourne's dock. An employe noticed this, and, following the general policy laid down by Bourne, made out a bill for dock rent. For the short time the anchor was there and the small space



HANDS! the Cause of Many Human Ills!

Doctors declare that most diseases are transmitted from one person to another through the agency of the hands. Statistics prove that one person in seven is a germ carrier. The public bar of soap is one of the principal methods by which germs of disease are transmitted from one pair of hands to another.

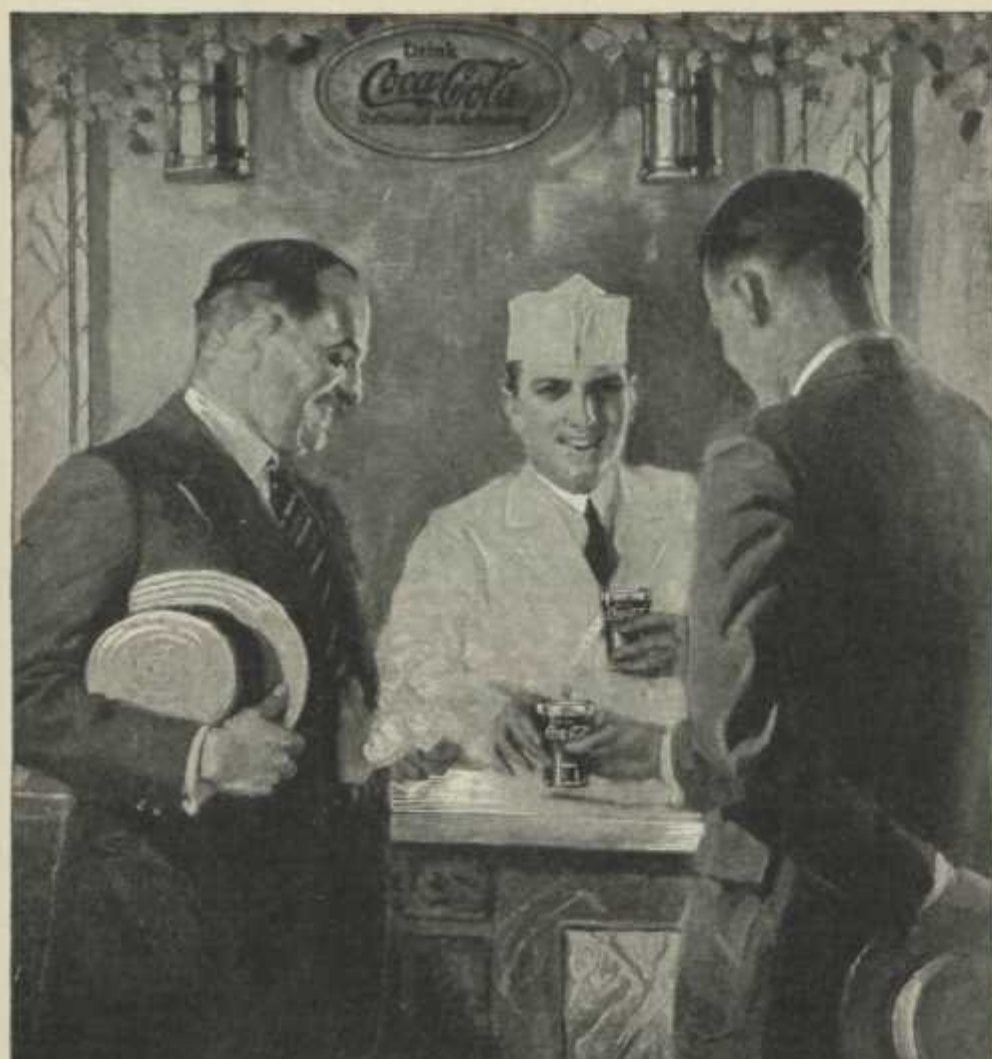
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it occupied, the rent amounted to just one cent, and he billed the anchor owner accordingly. When Bourne heard of the episode he made this comment:

"You used your imagination, but not quite enough. To have thought of making out the bill, even though it was small, was good business. But to have mailed a bill for only a cent, when it took a two-cent stamp to send it—that was bad business."

A YOUNG man entered the office of a New York banker recently and began to berate him for the slipshod manner in which he had handled funds belonging to the young man's widowed mother.

"On the last stock purchase you made for her," the caller said, "she has lost \$12,000 on one item alone. What kind of banker are you anyhow to lead her into such rotten investments?"

The banker sat calmly waiting until the young man had finished and then said:

"You're exactly right. I did buy for your mother stocks that have gone down in value \$12,000. But did she happen to tell you that on the same day I bought other stocks and bonds for her that have advanced \$300,000, and are likely to advance another \$100,000 within the next sixty days?"

"No, I didn't know anything about that," replied the now crestfallen caller. "All she mentioned was the loss of \$12,000."

"I'm not surprised," observed the banker wearily. "Many of us are like that. We love to feel that we have been imposed upon and to tell about it. We prefer to mention the one mistake somebody made for us rather than his ninety and nine acts that went not awry. That happens in business every day."

A FARMER got his neighbors to paint all farm buildings at the same season. As a result, the locality looked so much more attractive than others that the land values had a decided boost. The paint not only paid for itself in the good it did the building but actually added about \$10 an acre to the selling price of farms thereabouts. Buyers assumed that the land must be better, or else the farmers would not be so willing to buy paint.

A NUMBER of years ago, when William Gillette was appearing in the play, *Sherlock Holmes*, he wore a lounging robe in one scene; and whenever the play came to a city, there was a noticeable increase in the sale of lounging robes. It was not because there was any greater need of such a garment than before, but, of all the men who went to see the play, many were impressed with how clever and attractive they themselves would appear if they were to loiter thoughtfully about the sitting-room, in graceful attitudes, incarcerated in handsome lounging robes.

CONTRARY to popular opinion, merchants dealing in women's garments would welcome fewer changes of style. They are greatly hampered in the preparation of their stocks because of not knowing how popular a style will be or how long this popularity will last. Except for advanced dressers, always demanding something newer and newer, there would be vastly less stuff remaining on the shelves to be sacrificed at marked-down sales.

AFTER nearly fourteen years of residence in our national capital, I'm convinced that the attitude of nearly everybody toward taxation is to have passed laws under which the other fellow will have to pay the bills.

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Organization
Program of Work
Meetings and Committee Management
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Finance
Publicity
Office Administration
Commercial Activities
Industrial Activities
Civic Activities

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Organization and Community Publicity
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Theory of Trade Associations
How to Organize and Build a Program of Work for a Trade Association
Commercial and Industrial Functions of Trade Associations
Trade Association Finances
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Legality of Trade Association Work
The Secretary and His Work

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Market Survey
Advertising and Sales Promotion

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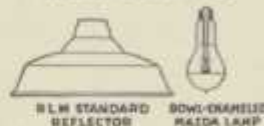
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Send coupon below for booklets: "How Better Lighting Increased Our Production 25%," giving in detail the lighting experience of the Detroit Piston Ring Company, and "Cutting Factory Costs with Lighting," telling exactly how to make inexpensive lighting improvements in your own plant.

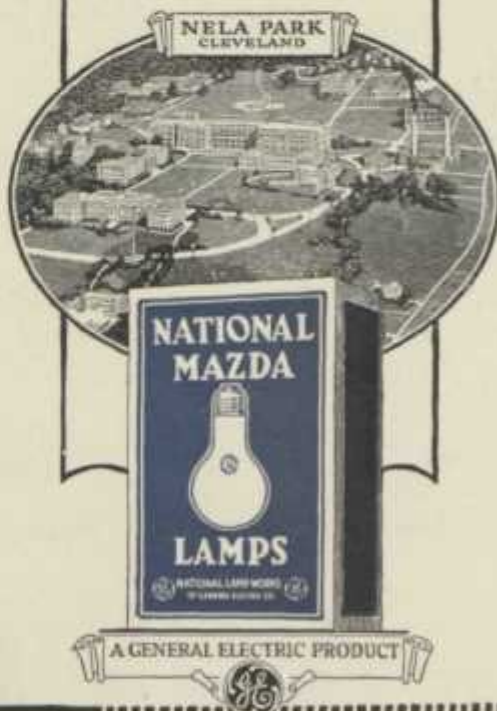
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